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# ***JPRS Report***

# **Soviet Union**

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***Economic Affairs***

# Soviet Union

## Economic Affairs

JPRS-UEA-88-033

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2 SEPTEMBER 1988

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## ECONOMIC POLICY, ORGANIZATION, MANAGEMENT

### Decree, Statute on Goskomstat Published

#### USSR Council of Ministers Decree

18200225a Moscow SOBRANIYE POSTANOVLENIY  
PRAVITELSTVA SOYUZA SOVETSKIKH  
SOTSIALISTICHESKIKH RESPUBLIK in Russian  
No 4, 1988 p 50

[Decree on Approval of Statute on USSR State Committee for Statistics]

[Text] 8. Decree on Approval of the Statute on USSR State Committee for Statistics

The USSR Council of Ministers decrees:

1. To approve the following Statute Governing the USSR State Committee for Statistics.

2. To recognize as cancelled Decree No. 220 of the USSR Council of Ministers dated 9 April 1973 "On Approval of the Statute Governing the Central Statistical Administration of the USSR Council of Ministers (SP [Soviet Law] USSR, 1973m Bi, 9, p 44).

3. That the USSR State Committee for Statistics, jointly with the USSR Ministry of Justice and within a 3-day period, will submit recommendations to the USSR Council of Ministers on introducing changes into existing legislation in light of the present decree.

N. Ryzhkov, chairman of the USSR Council of Ministers  
M. Smirnyukov, administration of affairs for the USSR Council of Ministers

Moscow, the Kremlin, 8 December 1987, No. 1396.

#### Statute on USSR State Committee for Statistics

18200225b Moscow SOBRANIYE POSTANOVLENIY  
PRAVITELSTVA SOYUZA SOVETSKIKH  
SOTSIALISTICHESKIKH RESPUBLIK in Russian  
No 4, 1988 pp 51-59

[Statute of USSR Council of Ministers]

[Text] 1. The USSR State Committee for Statistics (Goskomstat SSSR) is a union-republic organ of state administration—the country's chief statistical accounting center, responsible for managing statistical affairs and accounting and reporting in all branches of the national economy.

USSR Goskomstat has been given responsibility for providing timely support in the form of reliable statistical information to party, soviet, administrative and economic organs and society as a whole, based upon the functioning of a statistical information system at the all-state, branch and regional levels, with use being made of a unified scientific methodology. Under the conditions imposed by mainly economic managerial methods

and the conversion of enterprises (associations) over to complete cost accounting and self-financing, statistics must serve as an efficient instrument for the planned administration of the economy, it must supply reliable information for all strata of the population on the socio-economic development of Soviet society and it must promote the strengthening of democracy and the enlistment of workers for managing the affairs of the state.

2. USSR Goskomstat, the goskomstats of union republics, the republic (ASSR), kray, oblast, okrug and municipal (in the cities of Moscow and Leningrad and in the union republic capitals) statistical administrations, municipal and rayon statistical organs and their subordinate enterprises, institutes and organizations are preparing a unified system for USSR Goskomstat.

3. The chief tasks of USSR Goskomstat are:

—a comprehensive study of the profound changes and economic and social processes taking place in society, a generalization of and forecast for the trends in national economic development and disclosure of the reserves available for raising the efficiency of social production based upon a scientifically sound system of indicators;

—regulating and steadily improving the quality of statistical information and strengthening control over the status of accounting and the reliability of state reporting in all branches of the national economy;

—raising the validity of statistical information based upon new technology and through the extensive use of modern means of communication and computer and organizational equipment;

—achieving openness in statistical information as an extremely necessary trend in the democratization of Soviet society and improving the methods for informing the population concerning national economic development and changes in the country's economic and social life.

4. In conformity with the tasks assigned to it, USSR Goskomstat accomplishes the following:

a) organizes the collection, processing and presentation of scientifically sound statistical information, as required for implementing state and economic direction for the country's economic and social development; achieves improvements in the theoretical level, completeness and practical value of scientific statistical studies and the extensive development of balance operations in statistics;



b) systematically studies and analyzes: the processes involved in accelerating socio-economic development based upon scientific-technical progress, the restructuring of structural and investment policy, the intensification of social production, improvements in the administrative system and managerial methods; proportionality and economic balance, the results of measures implemented for further improving it; carrying out of the party's social policies and the process of improving the socialist life style;

c) organizes statistical observation of the course of fulfillment of the state plans for economic and social development and all-state and regional programs for solving important national economic problems, prepares reviews for some of the more important economic and social questions, it forecasts trends in the country's socio-economic development and it ensures on this basis the presentation of appropriate information for the requirements for administering the national economy;

d) it implements the theory and practice of international statistical comparisons, it analyzes the results realized from the carrying out of all-round programs concerned with the socialist economic integration and scientific-technical progress of CEMA member states and the effectiveness of foreign-economic relationships and it carries out a systematic study of international economics and the priority trends in its development and in the economic competition between the socialist and capitalist systems;

e) it supplies the central economic organs with a coordinated plan for the statistical information required preparing the concepts, principal trends and state plans for economic and social development of the USSR, the state budgets of the USSR, credit and cash plans, the all-state, scientific-technical and regional programs for solving the more important national economic problems and implementing control over their fulfillment and also the data which describes the available reserves and the opportunities that were not used during the course of carrying out the plans and programs and the state orders and contractual obligations. Jointly with USSR Gosplan, it prepares and presents to the USSR Council of Ministers annual reports on the country's economic condition, reports which describe the overall status of the national economy and the phenomena and structural changes taking place within it and which also call for measures aimed at reinforcing the positive achievements and eliminating the shortcomings that come to light.

f) it ensures a statistical study of the social processes, for which purpose all-union population censuses, one-time accounting operations and sampling and demographic processes are carried out, it maintains statistics on family budgets and it coordinates work concerned with a statistical study of all socio-demographic processes in the country. Jointly with the USSR State Committee for

Labor and Social Problems and the AUCCTU, it organizes a study of public opinion on socio-economic matters and on this basis it organizes generalized indicators which describe the socio-economic conditions and the life style of Soviet people;

g) it approves and improves state statistical reporting, the forms and programs for one-time accounting operations, studies and censuses, it issues instructions for carrying them out, it establishes the system for the introduction of new and a review of existing statistical reporting within the national economy and by agreement with the appropriate USSR ministries, state committees and departments it approves the state reporting tables and forms to be employed by the enterprises, associations, institutes and organizations;

h) jointly with the USSR Ministry of Finances, it approves the standard plans for bookkeeping and the accounting forms and it approves the schedules for presentation by the ministries and departments of the annual and quarterly bookkeeping reports and balances (excluding the account for carrying out the budget, the managerial system for which is established by the USSR Ministry of Finances);

i) it provides general direction in matters concerned with initial accounting in the national economy, for which purpose it prepares and approves standard forms for initial accounting documentation and standard plans for the mechanization and automation of accounting-computing operations, it organizes the training of accounting and statistical workers and improvements in their skills at subordinate educational institutes, it monitors the status of accounting and reporting at all levels of economic administration and it coordinates the work of financial, bank and control organs in carrying out checks on the reliability of accounting data and in combating fraud and deception;

j) it ensures the scientifically sound organization of regional statistics for the purpose of satisfying the requirements for managing the national economy at the rayon, municipal, oblast, kray and republic levels;

k) it ensures the introduction of a progressive technology for the collection and processing of statistical information, based upon the extensive use of modern means of communication and computing and organizational equipment, it carries out work concerned with regulating the flow of information within the national economy and it ensures the interaction of branch, functional and regional automatic control systems with the automated system of state statistics;

l) it organizes the information-propaganda work of statistical organs in the interest of informing the population on national economic development and on changes in the country's economic and social life, for which purpose it publishes appropriate statistical data in the press and issues statistical handbooks, bulletins and press releases;

it provides scientific and educational institutes with the statistical information which they need in keeping with the plans for scientific studies and it carries out press conferences and other measures;

m) it ensures the creation, within the statistical organs, of councils of public state statistic inspectors. These councils consist of representatives of the accounting-statistical services of ministries, departments, enterprises, associations, institutes and organizations and they are approved by the executive committees of soviets of workers' deputies. These councils are employed by the statistical organs for conducting studies, carrying out checks and performing work in connection with implementing improvements in accounting and reporting.

n) it establishes contacts with national and international statistical, scientific-technical and economic organizations in the area of scientific-technical and economic collaboration, for the purpose of studying and making practical use of the latest achievements of foreign science and engineering, leading experience and also for publicizing abroad the achievements of the USSR in the area of statistics, accounting and reporting and presenting them with statistical information in the established manner.

#### 5. USSR Goskomstat is authorized:

a) to exercise control over the execution by the ministries, state committees and departments and their subordinate enterprises, associations, institutes and organizations of the decisions handed down by the party and government concerning statistical, accounting and reporting matters;

b) during meetings of the board, to listen to reports by the ministries, state committees and departments, enterprises, associations, institutes and organizations concerning the status of accounting and reporting, to ensure reliable state reporting and to provide them with mandatory instructions for correcting all shortcomings uncovered in this work;

c) to obtain statistical and bookkeeping reporting from the ministries, state committees and departments, enterprises, associations, institutes and organizations and also data and materials for all accounting and statistical work (during any stage in their preparation) and explanations for the reports presented;

d) to carry out checks in the ministries, state committees and departments on the status of the work concerned with organizing initial accounting and ensuring the reliability of the accounting data presented by their subordinate enterprises, associations, institutes and organizations and also to uncover the existence of reporting that was not approved in the established manner. Officials of the statistical organs are authorized to visit the installations being studied in conformity with the existing system;

e) to require the ministries, state committees and departments, enterprises, associations, organizations and institutes to furnish written explanations and other materials concerning all violations uncovered;

f) to provide the ministries, state committees and departments, enterprises, associations, institutes and organizations with mandatory directions for eliminating violations of accounting discipline and organizing initial accounting and also conducting inspections, when necessary, of the financial-economic activity of enterprises, associations, institutes and organizations. The directions handed down by the organs of state statistics must be carried out by the ministries, state committees and departments, enterprises, associations, organizations and institutes and within a 10 day period they must issue a report on the measures undertaken to USSR Goskomstat, the union republic goskomstats and the local organs of state statistics respectively;

g) to introduce corrections to the state reports presented in the event of mistakes or other distortions in the accounting data, with a report being issued subsequently to the appropriate enterprises, associations, institutes and organizations for their reflection in initial accounting and bookkeeping and in other mutually associated indicators;

h) to abolish accountability not approved in the established manner. The instructions of USSR Goskomstat concerning the abolishment of such accountability are viewed as mandatory for the ministries, state committees and departments, local soviet and economic organs and also for enterprises, associations, organizations and institutes, regardless of their departmental subordination;

i) to request the leaders of ministries, state committees and departments to abolish those orders and instructions issued by them concerning accounting and reporting which are in conflict with existing legislation;

j) to encourage the financial, bank and controlling organs, with the consent of their leader, to participate in checks carried out on the reliability of reporting data, on the status of accounting and reporting at all levels of economic administration and, in instances involving mistakes and distortions of the accounting data, to send the needed materials to the organs of the procurator's office so that the guilty parties can be held accountable in conformity with existing legislation;

k) to prepare conclusions for the ministries, state committees and departments on the timeliness of presentation and the quality of the reports turned over to them by their subordinate enterprises, associations, institutes and organizations and to exercise control over ensuring that their leaders and other officials are held responsible for the presentation of incorrect reporting data and violations of reporting discipline;

1) to establish, by agreement with the USSR State Price Committee, the rates for work and services rendered by cost accounting statistical organs.

6. USSR Goskomstat, in the established manner, creates, reorganizes and eliminates subordinate enterprises, institutes and organizations of union subordination and it also approves the statute (regulations) governing these enterprises, institutes and organizations.

USSR Goskomstat, when carrying out the function of supporting the work of subordinate enterprises, organizations and institutes in the area of planning, science and engineering, capital construction, logistical supply, finances and credit, personnel, labor and wages and also in the area of economic, scientific-technical and cultural contacts with foreign countries, is guided by the General Statute Governing USSR Ministries.

7. In carrying out its work, USSR Goskomstat is guided by the laws of the USSR, other decisions handed down by the USSR Supreme Soviet and its Presidium, decrees and regulations of the USSR Council of Ministers, the present statute and other normative documents and it also ensures the correct use of existing legislation at enterprises, institutes and organizations subordinate to the committee.

USSR Goskomstat generalizes the practice of employing legislation in matters falling within its competence, it develops and introduces into the USSR Council of Ministers recommendations for improving legislation in the area of statistics, accounting and reporting and it also carries out measures aimed at improving legal work at enterprises, institutes and organizations included within the committee's system.

8. USSR Goskomstat is headed by a chairman assigned in conformity with the USSR Constitution by the USSR Supreme Soviet and during the period between sessions—by the Presidium of the USSR Supreme Soviet, with subsequent presentation for approval by the USSR Supreme Soviet.

The chairman of USSR Goskomstat has deputies assigned by the USSR Council of Ministers.

The distribution of responsibilities among the deputies is carried out by the chairman of USSR Goskomstat.

9. The chairman of USSR Goskomstat is personally responsible for carrying out the tasks and functions assigned to USSR Goskomstat and he establishes the degree of responsibility of the chairman's deputies and the leaders of structural subunits of the committee's central staff for the management of individual areas of the committee's activities and also for the work performed by the committee's enterprises, institutes and organizations.

10. USSR Goskomstat, based upon and in the fulfillment of existing legislation, issues orders and instructions for mandatory execution by the committee's enterprises, institutes and organizations.

In matters concerned with statistics, accounting and reporting, USSR Goskomstat publishes decrees and instructions and it also issues instructions which must be carried out by all of the ministries, state committees and departments, executive committees of soviets of people's deputies, enterprises, associations, organizations and institutes, regardless of their departmental subordination.

When necessary, USSR Goskomstat publishes decrees and orders and issues instructions jointly or by agreement with other ministries, state committees and departments.

11. A board consisting of the chairman of the committee (chairman of the board), deputy chairmen of the committee by duties and also other leading workers of USSR Goskomstat is formed within the USSR Goskomstat.

The members of the USSR Goskomstat Board, excluding those persons included in its structure in accordance with their position, are approved by the USSR Council of Ministers.

During its regular meetings, the USSR Goskomstat Board examines the more important questions concerned with organizing fulfillment of the tasks confronting the organs of state statistics, the functioning of the country's statistical information system, the selection, placement and training of personnel, the socio-economic development of enterprises and institutes and organization of the committee's system, the work of its structural subunits and organizations, the goskomstats of union republics and the local statistical organs and also the ministries, state committees and departments of the USSR concerned with the organization of accounting and reporting and ensuring the reliability of the reports presented by their subordinate enterprises, associations, institutes and organizations.

The decisions of the board are implemented by decrees and orders issued by USSR Goskomstat.

In the event of disagreements between the chairman of USSR Goskomstat and the board, the chairman implements his own decision and reports the resulting disagreements to the USSR Council of Ministers, with the members of the board, for their part, being allowed to report their opinion to the USSR Council of Ministers.

12. A scientific-methodological council functions for the purpose of examining the methodological problems concerned with statistics, accounting and reporting. The staff of the scientific-methodological council includes eminent scientists and highly skilled specialists of USSR



Goskomstat, ministries and departments, scientific-research organizations, higher educational institutes and enterprises. The structure of the scientific-methodological council and the statute which governs it are approved by the chairman of USSR Goskomstat.

13. The structure and personnel strength of the central staff of USSR Goskomstat are approved by the USSR Council of Ministers.

The chairman of USSR Goskomstat is authorized to approve the official schedule for the committee's central staff without taking into account the prescribed norms and ratios for the numbers of leading workers and specialists and to establish the official salaries for workers attached to the central staff without taking into account the average salaries in accordance with the official salary program, within the limits established for the personnel strength and wage fund for workers attached to the central staff. The tables of organization for the committee's central staff need not be registered in the financial organs.

14. USSR Goskomstat and the union republic goskomstats are maintained by means of the union budget. Additional statistical and analytic work carried out in accordance with orders by the union republic councils of ministers and local soviets of workers' deputies are financed by means of funds withdrawn from the respective budgets.

The republic (ASSR), kray, oblast, okrug and municipal (in the cities of Moscow and Leningrad and in the union republic capitals) statistical administrations and the municipal and rayon statistical departments operate in keeping with the principles of cost accounting and in conformity with the USSR "Law Governing State Enterprises (associations)."

15. USSR Goskomstat has a seal bearing an imprint of the USSR state emblem and its title.

Chairman, USSR Council of Ministers N. Ryzhkov

Administration of Affairs for the USSR Council of Ministers M. Smiryukov

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#### **Additional Organizations Governed by Enterprise Law**

18200225c Moscow SOBRANIYE POSTVANOLENIY PRAVITELSTVA SOYUZA SOVETSKIKH SOTSIALISTICHESKIKH RESPBULIK in Russian No 4, 1988 p 62

[Decree: "On the System and Schedule for Applying the USSR Law Governing a State Enterprise (Association) to Enterprises, Associations and Organizations Which Have Not Converted Over to Complete Cost Accounting and Self-Financing and Also to Organizations in the Non-Productive Sphere"]

[Text] In conformity with the 30 June 1987 decree of the USSR Council of Ministers entitled "System for Placing

in Operation the USSR Law Governing a State Enterprise (Association)" and in the interest of introducing the elements of the new economic mechanism into the operational practice of all enterprises, associations and organizations of the national economy, the USSR Council of Ministers decrees:

To establish the fact that commencing 1 January 1988, enterprises, associations and organizations in the sphere of material production which have not converted over to complete cost accounting and self-financing and also enterprises, associations and organizations in the non-productive sphere, prior to their conversion over to complete cost accounting and self-financing, will be guided in their activities by the statutes of articles 5-8, 10, 11, 15, 16 and 19-22 of the USSR Law Governing a State Enterprise (Association), which regulates the work of an enterprise in such areas as the management, selection, placement and training of personnel, planning, scientific-technical progress, logistical supply, foreign-economic relations and also in the areas of nature utilization, environmental protection, accounting, reporting and control.

Observance of the rights of these enterprises, associations and organizations is guaranteed by Article 24 of the mentioned USSR law.

N. Ryzhkov, chairman of the USSR Council of Ministers

M. Smiryukov, business manager of the USSR Council of Ministers

Moscow, the Kremlin, 26 December 1987, No. 1471.

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#### **Definition of Rights, Roles of Ministries, Enterprises Needed**

18200206a Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 17 Jun 88 p 1

[Article by V. Andreyev, Doctor of Legal Sciences: "Exceptions Instead of Rules"] [txt][Text] Just as soon as the draft Law on Cooperation in the USSR was published, voices were immediately heard declaring that the Law Governing a State Enterprise was less progressive compared to the new document. However, it is my opinion that it would be more fruitful today not to seek to review the Law Governing an Enterprise, but rather to enforce it in a strict manner. As yet, by no means are all of its statutes being implemented in a consistent manner. Why is this dangerous? It is dangerous mainly because the independence of enterprises is not furnishing the economic results which the state, society and all of us expected.

What can we assume was realized with the production volumes? In accordance with the Law Governing an Enterprise, the control figures are not more directive in nature. This was expected from the entire system of



economic stimuli and sanctions and thus the labor collectives were forced to operate at maximum capability. But what happened in actual practice? A number of enterprises lowered considerably their indicator for production volume from a value standpoint and for profit.

Were these consequences of independence predetermined? Certainly not. The causes are to be found in actual practice, which is characterized by many deviations from the law. Meanwhile, it is legally stipulated that an enterprise not only acquires new rights but bears full responsibility for obligations that are adopted and which are required for self-financing.

One efficient means for motivating enterprises to operate in an efficient manner is the very system of financial computations. It has been established that all of them, including the issuing of wages, are carried out in a calendar sequence in accordance with the flow of accounting documents. If an enterprise does not have money in its current account, then no wages are paid to the manual or office workers. Is this normal? No, it is not. Poorly operating enterprises are authorized to take out loans from banks for the purpose of paying out wages.

There is still another rule that is not being implemented. "An enterprise which systematically violates payment discipline can be declared by the banks to be insolvent, with a report to this effect being issued to the principal suppliers of commodity stocks and to a higher organ." The banks have become accustomed to this practice and are failing to utilize this effective measure.

The law strictly states that an enterprise must operate on a profitable basis. When subjected to temporary and planned losses, it obtains assistance from the ministry through the use of centralized funds and reserves. A reasonable question: to what extent are these funds and reserves generally combined with the principles of complete cost accounting—indeed they are created by means of withholdings from the profits of enterprises which are operating well. Is this not why the ministries do not display great concern for subsidized enterprises?

And finally, the most radical medicine—the closing of an enterprise when it has operated at a loss or been insolvent for an extended period of time or if there is no demand for its products. In the 17 July 1987 decree of the CPSU Central Committee and the USSR Council of Ministers concerning restructuring of the financial mechanism, it is stipulated that USSR Minfin [Ministry of Finances], jointly with the banks, introduces recommendations for the ministries on the liquidation or reorganization of such enterprises. Is the time not at hand for USSR Minfin and the banks to overcome this unnecessary compassion and confront the ministries with the task of closing down unprofitable and poorly operating enterprises? At the present time, 13 percent of

our enterprises are included in this category. In particular, many of them are found in the machine building complex, which did not fulfill its profit plan for the first quarter.

Democracy is impossible in the absence of discipline and responsibility. The modern form for democratic centralism requires a better understanding of its two constituent elements: democracy and centralism. It is important not only to convert over to mainly economic methods of administration but also to bear in mind that the economic independence of an enterprise and the self-government of a labor collective are permitted not simply for the sake of democracy but rather for a sharp increase in production efficiency. This is why use should never be made of just stimuli alone, while forgetting about economic sanctions.

Unfortunately, it is not only economic practice that is so contradictory. The inevitability of conflicts is explained to a large degree by a lack of legal consistency.

Up until now, for example, the rights of ministries and enterprises have not been differentiated. I am confident that in order to avoid conflicts the competence of a ministry must be set forth in an exhaustive manner in the statute dealing with that ministry—and as yet this has not been done. I believe that all of the norms concerning the competence of ministries should be gathered together in this document and that all documents adopted earlier on expanding the rights of USSR ministries which are not in keeping with the letter and spirit of the new economic mechanism should be excluded. If this is not done, difficulties will arise in connection with protecting the rights of an enterprise. As yet, we do not have this statute and there will be no statute concerning a branch council in which all questions on further strengthening democratization and attracting representatives of labor collectives to administrative work must be resolved.

Certain desires must be expressed to the USSR Council of Ministers with regard to ensuring that it employs a more thoughtful approach in the development of normative documents. The statute governing a state production association was approved in a statute dated 23 September 1987. In conformity with this decision, GPO's [state production associations] were created in the material production branches. But by 2 April 1988, the statute governing a GPO was already recognized as being invalid. Moreover, the decision had been prepared in a manner such that the ministry and GPO workers did not have any clear notion as to what was to be done with the associations that had already been created—and there were many of them.

We view as somewhat obscure the legal force of recommendations on the system for electing the councils of labor collectives, carrying out the elections of leaders and competitions for filling the positions of specialists at state enterprises (associations), approved by the USSR

Goskomtrud [State Committee on Labor] and the AUCCTU. Actually, is it really possible to publish recommendations which are in conflict with the law? In the law, for example, it is stated that the council of a labor collective selects a chairman, deputy chairman and the council secretary from its own staff. If a leader is elected by a labor collective for an STK [labor committee council], then he and his chairman can be elected during a meeting of the council. However the recommendations insist that the leader must not serve as chairman of the STK. It is possible that today we have drawn the conclusion that it is inadvisable to elect the leader of an enterprise to serve as chairman of the STK. If such is the case, then the law should be corrected rather than issuing a recommendation.

In short, we clearly lack consistency in implementing the law governing an enterprise. We are unforgivably liberal with regard to those who violate its principles. We look through our fingers at those legal documents which are in conflict with them. And thereafter we hopelessly shrug our shoulders: why cannot all of the problems be solved? Without having changed our tactics, we not only fail to solve former problems but in addition we encouraged dozens of new ones. This cannot be tolerated.

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#### **Shmelev Reform Proposals Akin to Forcible 'Gulag' Methods**

18200238 Moscow NASH SOVREMENNİK in Russian  
No 6, Jun 88 (signed to press 17 May 88) pp 154-162

[Article by Anatoliy Salutskiy: "Speculations and Realities"]

#### **[Excerpt] On the Fundamental Issues**

When we brought up the topic of the gains the American farmer has reaped thanks to the efficient operation of their selkhoztekhnikas and selkhozkhimiyas, some readers, tired of the lines in the food stores, might have thought, Why keep looking for the hidden defect in the system when, after all, they have abundant stocks, the stores are filled with food, people are living their lives.... Well, now, America really is a rich country, and on the whole people live well there, although in the United States they have just as many problems of their own as we do ours, and it is difficult to decide whose problems are the more serious.

But we will not get carried away with comparisons, we will only take note of the significant fact that it is not just that the American farm (ferma) operates at the very maximum of intensiveness, using the most recent advances of agricultural science and technology, but that there is no other way it can operate—otherwise the Canadian and the European competitors would beat it. And that is why it depends entirely and completely on

the support it receives from production and from science, a support which in the United States is unquestionably on the level it should be.

But at least two fundamental conclusions follow from this, conclusions which cannot be ignored by those who support our encroaching farmerism (fermerstvo). First of all, whereas the man from Dorogobuzh, if he tries to go off into the interior where there are no roads, to get away from the "city" so it will not hinder his normal development, if he needs the "city" mainly as a market, the farmer in Iowa or Nebraska, by contrast, is connected by 1,000 threads to the city and is constantly nourished by its technical ideas, and he receives the most up-to-date equipment from it. And that means that in rethinking the destiny of the NEP, we need to take into account that the farmstead (khutor) lost somewhere in the forest is the last place where the large supplier—the farmer—can hatch from the small-surplus "embryo." The roadless interior offers absolutely no opportunity to gain access to those up-to-date organizational methods and scientific advances which in the conception of the Polish economist transform the peasant farm into a family farm of the "farmer" type.

But our country has no other places aside from Krasnaya Gorka, Korytnya, Poluknyazevo, and other similar uninhabited places for the homesteader; the other well-developed places have been turned over to strong kolkhozes and sovkhozes. And the strong kolkhozes and sovkhozes, given the right conditions, which we are now trying to bring about, can in the very near future reach the same high level as the progressive ones headed by the well-known chairmen Bedula, Vagin, and Starodubtsev. And with respect to labor productivity these farms are not only beyond Sivkov, but even the American farmer; that is well-known. That is why there is absolutely no reason, including any purely economic reason, for an experiment to dissolve the strong farms and turn over the land they have cared for and fat herds to future "farmers."

That is why it turns out, I repeat, that there is no other land except that occupied by kolkhozes and sovkhozes that are weak and losing money for the peasants from Arkhangelsk, Kostroma, Kaluga, and other oblasts. And that means one of the most important conditions for "farmers" to "hatch" from small-surplus homesteaders already disappears.

Second, it is useful to take the following into account. If Nikolay Semenovich Sivkov does not receive his fertilizer on time and he brings in a somewhat smaller crop, he will undoubtedly be upset and will postpone construction plans until the next season, which we hope will be more successful. But there is no economic or everyday disaster on the Krasnaya Gorka farmstead. But if the American farmer who is operating at the limit of his abilities fails to supply himself with those most recent plant growth stimulators used by his neighbors because of a shortage of money or through negligence, then he

will end up in an incomparably more difficult situation than Sivkov. Not only will he tighten his belt tighter while waiting for the next harvest, he is risking dropping altogether out of the scientific-technical race, with its constantly rising costs, and of dropping out altogether, in other words, of being ruined. This is a distinctive feature of a socially polarized society—all or nothing!

Strictly speaking, it is along this road—on the principle of a race for survival, that the historical evolution of the American farm has traveled. This process, quite understandably, has been entirely inseparable from the market price of land, because in the initial stages it was the size of the holdings that played the decisive role in the rise of labor productivity. The present American farm did not drop from the sky, it did not result from any constitutional act or decision of the U.S. Congress, but it took shape in the process of a lengthy and tragic struggle of the small market producers for survival. In fact the history of farming in the United States is a truly splendid example confirming the viewpoint of the classics of Marxism about the instability of the small-surplus peasant farm: the large producer was born out of the hellish torture of those who did not survive the life-or-death race and dropped out of it. This was a road on which some rose up and others fell; this was a savage slaughter of gladiators legitimized by the constitution and sanctified by the spirit of private enterprise in the arena of free competition and the buying and selling of land. Indeed, "everyone knew quite well that the better it was for himself, the worse it was for someone else." In this terrible drama played out not on the stage, but in life itself, they broke the backs and destroyed the minds not only of those poor men who were ruined and auctioned off their land—no, they ground into sand, into dust the age-old peasant farmer, casting him off the historical scene. It was the man who bought the holdings of his unfortunate neighbors driven from the land once and for all, who triumphed in the lengthy struggle for the optimum size of the farm, who became the real farmer, thereby already ceasing to be a peasant.

Henry Thoreau, the recluse philosopher, told about this painful and murderous process in which the American farmer was forged in his book "Zhizn v lesu" [Walden]. The events he describes took place in 1845-1847, in other words, they are precisely from the adolescent period of the American farm, and they can serve as a bracing shower for those who are familiar only with its appearance today.

"Looking at my neighbors—the farmers of Concord," Thoreau wrote, "I have seen that they have to work 20, 30, and 40 years to really become owners of their farms. A third of their labor goes to pay off the house, but usually they do not manage to pay off the entire amount even then. To be sure, the debts sometimes exceed the value of the farm itself, so that it becomes an exceedingly great burden. Having put questions to the tax inspectors, I was amazed to learn that they have difficulty naming a dozen people in the town whose farms are not burdened

with debt. The history of these homesteads can best be learned in the bank where they have been mortgaged. The man who has completely paid off his farm solely through his own labor on it is such a rarity that they will immediately point him out to you. There are hardly three of them in all of Concord.... And when a farmer becomes the owner of a house, he may prove not to be richer, but poorer, because the house possesses him." And further on, telling about a visit to his neighbor in the outskirts of Walden, Henry Thoreau describes the farmer's daily life, which does not differ at all from Khol-yusha's: "The hands, who also had taken shelter from the rain, strolled about the room like members of the family. All the while the host was telling about how difficult it had been for him to work for a neighboring farmer, how he had dug ditches in the meadow with a shovel or grub hoe, receiving in return \$10 per acre and use of the land and fertilizer for 1 year."

But why speak of Thoreau, why speak of the last century! The exceedingly difficult struggle for the farmer's existence, in which he was constantly threatened with ruin, was written about by the American farmer Edward Faulkner, who in 1943 published his famous book "Bez-rassudstvo pakharya" [Plowman's Folly], in which he glorified his system of farming without a plow. It was only that innovation, in Faulkner's opinion, that made it possible for him to survive.

Yes, the process of farming's evolution is quite inseparable from the fierce and protracted competition, from the race for survival, from the unrestricted buying and selling of land, which made it possible to mark off the most optimum pieces exclusively to meet the owner's resources and conception (it was precisely this measure that was pivotal in the Stolypin reform, which aimed at "strong landowners," about which we will have more to say). The fact that the difficult and lengthy historical process has essentially been a process of "deep peasantization," was wonderfully understood even by the Narodniks; after all, in Russia the disputes over the issue of farming and the development strategy based on farmers goes back more than 100 years.

It is not without interest in this connection to quote one of Vladimir Ilich Lenin's statements. Criticizing the Narodniks for being fundamentally wrong in posing the question "The commune or capitalism?" Lenin wrote: "So if some excellent anglophile is awarded a bonus for the best piece of writing on the introduction of farming in Russia, if some learned society presents a project for settling the peasants on farmsteads, or if some idle civil servant draws up a project for 60-desiatina parcels—the Narodnik is quick to take up the gauntlet and fly into battle against these 'bourgeois projects.'" It is not difficult to sense in these words that in condemning the Narodniks for the failure to understand the essence of class processes in rural areas, Vladimir Ilich was by no means looking with favor on advocates of farming, ironically referring to them as "excellent anglophiles."



No, it is not all simple by any means. Those who advocate a transition to the family farm as an economic model are unjustifiably oversimplifying the problem, reducing it merely to furnishing the economic space for the well-off peasant from Arkhangelsk. In the conflict with reality their speculative projects, based on borrowing foreign experience, prove to be only unfeasible and lightweight "projects." Of course, no one is prohibited from publicly expressing his judgments. But these crucial times of fundamental change require of the researcher into social relations a particular scrupulousness and thoroughness in the practical verification of conclusions presented for the judgment of readers. And in this connection we have no right to detour around the sensational article of Nikolay Shmelev, "Advances and Debts" (NOVYY MIR, No 5, 1987), in which the author reflects on "new strategies" in the very broadest scope, including, of course, the agricultural sector.

Though we cannot but agree to that part of the article which deals with an analysis of the difficult economic situation that has come about in the country and where Shmelev sets forth the acute problems known to us. But when he passes on to exposition of his own program for "economic recovery," a certain cautiousness immediately springs up. Can we regard that practical aim which the author emphasizes, which is saturation of the market as a priority, to be that truly fundamental objective whose achievement is crucial to all and everything, that starting point from which the new socioeconomic systems are to be established? For example, the Hungarian economy has been fully saturated, but this did not preserve the country from economic upheaval; even to the contrary, it was the disproportionately high level of consumption that became one of the causes of the difficulties that occurred. But why in giving China and Vietnam as examples did Shmelev bypass Hungary?

As an example of the immense capabilities of family farming people like to cite the example of China, where grain production rose sharply after the land was turned over to independent farmers on long-term leases. But in so doing they do not as a rule take into account the fundamental differences between the USSR and the PRC in the social-demographic composition of the population: in China there are now 800 million peasants, that is, the proportions between the urban and rural population are the same as we had back in the twenties. What is more, as we would expect, the "strong farmers," thrusting ahead with respect to grain production, have rapidly accumulated sizable capital, which under the conditions of the socialist economic system and social ownership of the land they are unable to apply to further circulation in order to expand their holdings. This capital has been deposited in the bank, and in China a stratum of rentiers has already been born from former peasants who are living on interest and are not interested in any further growth of grain production. This is already having an impact in the form of smaller gross harvests: On 12 March 1987, RENMIN RIBAO wrote that "over the last 2 years a slowing down of growth rates has been

observed in the country's agriculture." (This context adds even greater interest to N.A. Engelgardt's remark that "the renter is a strange person: here today, there tomorrow. He tries to extract everything he can from the holding, and then he goes off somewhere else for a new exploitation or to retire, having become a 'rentier.'")

Most Chinese economists note that so far the rural reform has been carried out mainly at the microeconomic level and has practically exhausted itself in that sphere, while the underdevelopment of agriculture preserved since ancient times has not been overcome. Chen Xigen, chief of the Secretariat of the Shanghai Scientific Society for Agricultural Economics, remarks that the peasants have not really become so rich, pointing to the danger of padding, since in certain rural districts they have begun to include in the statistical data on peasant income even the credits extended to them. The level of consumption of the rural inhabitant in China is 40 percent of that of the city dweller.

V. Shklyarov, director of the "Bredaninskiy" Sovkhoz in Ferzikovskiy Rayon, Kaluga Oblast, who recently visited China as a member of a youth delegation, told me that he was amazed by the high degree to which the land has been plowed, unusually high for our eyes—literally every little plot is under cultivation. But however strange it may seem, in the years of the 6th FYP the area of plowland in China decreased by 36.8 million MU, while in 1986, according to the data of the statistical administration, another 1 million MU were retired from cultivation, which is equivalent to the area of a province like Qinghai. In 1985, grain production dropped off 28.2 million tons from the previous year, and 19 million tons of this were lost precisely because of a decrease in the amount of land planted to grain, which indicates less motivation on the part of the family renters.

It also has to be noted that there is a great surplus of manpower in the agriculture of the PRC. In the opinion of RENMIN RIBAO, this surplus could reach 200 million persons by 1995, which would create very serious new problems.

Shortages, of course, do not allow us room to breathe, and the market has to be saturated somewhat more quickly. But, as they say, is this a task that would like to be sufficient unto itself? This is an extremely important question, since the means of attaining it also depend on correct choice of the objective. Why not talk about raising the quality of life as a whole, not just the market? And anyway, what kind of saturation are we talking about, and what kind of market? In many underdeveloped countries the shelves are loaded with goods, including foodstuffs, but the market for means of production, for fuel and other resources is extremely scant. Which means that there is already a need for the revisions which the author has in mind. If, as certainly can be inferred from the text of the article, he is talking exclusively about food in the stores, then, for all the paramount importance of this task, it is simply nonsensical to advance it



among the main social problems: What use are full shelves if the prices are so high that the ordinary man does not have the money to buy anything? All that needs to be done to saturate the market is to raise prices sharply and restrict consumption; there is no need at all to expand production or go through restructuring. As is well-known, we have already achieved full inventories in carpet stores in this way.

No, unlike Shmelev, we are inclined to think that the main goal is not an abundance in food stores in and of itself, but an abundance of food in the stores that is accessible to the public.

Strictly speaking, this small, but very essential and fundamental correction contains the main subject of our differences with the author of the article entitled "Advances and Debts," who is very anxious to find incentives for a rapid growth of the stocks of commodities in stores and is not particularly disturbed by the fundamental social issue of their distribution.

Shmelev's principle is that the whole point lies not in personalities, as we are accustomed to think, but in availability [word play on *lichnost* and *nalichnost*—translator's note]. "Reality demands that we undertake everything so that our food market is supplied in coming years," he writes, and he then adds: "Let the best ones prosper, those who want and can give society real produce and services, real value."

Unfortunately, the interests of that basic mass of people who make up the category of "wanting to, but not able to" have somehow gotten lost and completely dissolved in the "economic recovery" program advanced by Shmelev. That is why we are disturbed and that is why we are confused by this "undertaking everything." We have already undertaken everything in the thirties, once again guided by slogans about universal prosperity, we cut the forests and we burned the chips in bonfires as the trees were felled. Alas, this is not an accidental reminder: upon the closest examination Shmelev's "newest theories" go hand in hand with the ancient and defective practice of using force to compel people to work.

But exactly what does the economist have in mind when he uses the expression "undertake everything"?

As in the past, there is no need to analyze Shmelev's article sentence by sentence; one need only be concerned with two of his propositions—the section on the new attitude toward labor resources and, of course, the farm question. But first we should mention the method of grasping reality which Shmelev uses. As in the case with Lisichkin, this has paramount importance to a correct understanding of how his thoughts run. As they say: Take a look at the root!

Nikolay Shmelev has written in considerable detail about this method in his own article "Escaping the Fog of Prejudices," published in *LITERATURNAYA GAZETA*. This is his point of view:

"The entreaties issued from time to time that we 'learn from life,' study life, get into the thick of it, live the life of the people, seem to me prejudices. What writer is it, if he is really a writer, who has not felt all of that life, the life of the people, on his own skin before writing anything significant? Nor is it important where he has studied it, that life, in his own kitchen or in a metallurgical plant? He has lived and is living, he thinks about life, he feels pain and experiences things for it, and if he has talent, the ability to think, he will always have something to say to people. It is not a question of the 'thick of life,' but of talent."

This is Shmelev's method of becoming aware of reality, and in my view, commentary is needed here.

By sheer coincidence I once worked in a metallurgical plant and know enough about it to be entitled to say that there is after all a difference between a foundry and the kitchen in a comfortable Moscow apartment, although in the household they sometimes might refer to the kitchen as the "hot shop." And from the melting furnace there are many things, very, very many things that look different than from a gas range with four burners. That is why the little word "entreaties" in the passage quoted seems unfair: If Shmelev passionately defends his right to learn about the world in the kitchen, then why be ironic about those who study life in a plant?

But I do not intend to get into a literary dispute with Nikolay Shmelev the prose writer, who is free to study life the way he deems necessary. Nor do I even put the question of whether the economist Nikolay Shmelev, who works in the Institute for the United States and Canada, deems it necessary from time to time to go on foreign business trips or is it quite enough for him to study in his office the inflow of specialized books, journals, and statistical compendiums arriving from across the ocean? After all, we are interested in something quite different: How the journalist Nikolay Shmelev learns about the reality of his native country? If once again it is in the kitchen or in the office—then things are not right.

But unfortunately it seems that is exactly the way matters stand. This idea is suggested by some of the assertions of the author of the article "Advances and Debts" indicating his patently inadequate knowledge of the realities of our life. To be specific, Shmelev writes: "It is not out of the question that it is mostly the family contract and leasing (especially in the suburbs) of land today lying fallow and without a harvest to everyone who wants it—and such people will undoubtedly be found—regardless of whether they are rural or urban inhabitants—that will be a salvation for many farms that have been 'ailing' for a long time." I do not know what to say about the

journalist, but for a doctor of economic sciences such assertions are, I would say, muddled, and all that saves Shmelev is that he is a specialist in foreign economics.

He has, of course, heard about our boom with garden plots, and now he automatically carries over this purely urban phenomenon, which has nothing whatsoever to do with production for the market, but is designed only for fuller satisfaction of personal needs, into the large-scale agricultural sector, whose responsibility it is to feed the country with bread, milk, and meat. Where, in what suburb, has the author of the article "Advances and Debts" seen "farms which have long been 'ailing'"? In absolutely every oblast it is the suburban area—around the oblast center—that is the strongest from the agricultural standpoint; it has no land that has been abandoned; there are times when even fights break out over boggy land for the garden and orchard cooperatives. The "ailing" ones are located out of the way, off the road, in godforsaken places where sometimes there is not even bus service. So that the author's qualification in parentheses about the suburb gives away the altogether illogical [original reads "logical"] thinking, which is not backed up with a knowledge of life.

And further. Where has Shmelev seen city people ready to give up their apartments, set off into the wilderness and squat on the land to produce for the market? So far only one peasant in the entire country has been found of this kind—Nikolay Semenovitch Sivkov.<sup>6</sup> And the doctor of economic sciences writes in passing that "such people will undoubtedly be found," and self-assuredly declares that he already knows the way out of the exceedingly acute, painful, and puzzling situation of the "ailing" farms. Where will they be found? Perhaps among his familiars in Moscow? No, what we are dealing with here is a patent, disastrous, and irresponsible confusion between the fever for gardens and orchards and solving the fundamental problems of agriculture.

The "kitchen" study of life by the journalist, his reluctance to penetrate the reality of Russia at the grass roots, can be blamed for this most serious mistake. Representatives of the subject matter of judgments that are so foggy force one to think in a new way about Nikolay Shmelev's reflections about "prejudices." Is he right in his categorical rejection of the "thick of life"? Doesn't he himself get lost in the fog?

All of these questions are very painful and disturbing; they cannot take the touches of a cold and speculative pen, and I hope Shmelev will forgive me for a somewhat fervent polemical tone. By no means do I accuse him of all the mortal sins, but I only appeal to his sense of responsibility to his fellow citizens. After all, while sitting in the kitchen he is not writing a cookbook, not a new edition of the "Domovaya kniga" [Housekeeping Book], but patently is striving to be a shepherd in matters of economics. But if the shepherd himself gets lost in the fog, will he not lead the entire society into a blind alley?

Another point is that Nikolay Shmelev's proposal for issuing land to city dwellers around the cities for the purpose of production for the market strangely and inexplicably has something in common with the article of Yu. Larin, published in PRAVDA on 19 December 1918, which aroused a lot of attention and evoked sharp criticism at the Eighth Congress of the Russian Communist Party (Bolshevik)—they even called the author of that article a "presumptuous builder of socialism."<sup>7</sup> Though there is nothing strange at all that they should have something in common, since this often happens with people who replace concrete knowledge with judgments, and instead of actual reality they analyze a version of actual reality which they themselves have created and forced to fit in the old molds. We are about to become acquainted with a still more surprising historical coincidence of this kind.

So, having clarified the unconditionally scanty knowledge which the author of the article "Advances and Debts" has about our agricultural reality, we pass on to the second proposition of Nikolay Shmelev that is of particular interest to us—the "disinterested and serious discussion of what we might gain from a small reserve labor army," in other words, unemployment. No, no, we are not going to deliver a lecture on the right to work. As Shmelev himself has requested, let us be disinterested and serious. But at the same time, not in general, but concretely, in particular, even when this applies...to doctors of economic sciences.

I foresee, of course, objections to the effect that unemployment is not foreseen among them in the foreseeable future, and I agree with that entirely. But let us imagine an absolutely realistic situation in our own time: a competition has been advertised to fill a university vacancy, and Dr So-and-So has been unsuccessful in the competition. In the United States, for example, there are as many such cases as you like. But if Professor Smith is suddenly deprived of a position in Los Angeles, he does not end up unemployed at all, since a qualified scientist is immediately offered a similar place somewhere else, say, in New Jersey.

Do we have to assume that it is the same thing here?

In a sense it would seem to be so, but not altogether. If we, as we have already stipulated, get away from general and speculative judgments and again get down to the despised prose of life, then the first thing we have to explain is exactly how Professor Smith makes the change from Los Angeles to New Jersey. We have to say that nothing could be simpler for him to do: He will easily sell his house on the Pacific coast and will buy an equivalent house on the Atlantic coast, that is all.

Now let us imagine that a doctor of economic sciences who does not have a position in Moscow is offered a chair in Kemerovo, Ufa, Penza, or Cheboksary. Let us assume that the scientist disinterestedly and seriously

intends to go to one of these cities, but he quite reasonably demands that he be furnished a corresponding apartment in exchange for the one he has given up in Moscow, since he has moved out of the capital. And this is not such a simple matter at all! And if in the end they do find an apartment for the head of the department, this will be far more difficult for a docent, and when it comes to a simple laboratory assistant there is no point in even talking about it. But how in this case is a laboratory assistant who has lost his job in Moscow going to move to Penza, where they are ready to offer him a well-paid position?

If someone tries to reproach me for the scholastic nature of this example, then I will be forced to explain the situation I have taken is absolutely real. In our country there is at least one sphere of activity where Shmelev's proposal has been fully simulated in practice. Anna Kuznetsova has very interestingly, frankly, and bitterly told about the result of this experiment in the newspaper PRAVDA. Her article deserves to be quoted in outline form:

"Since times immemorial at the end of the theater season in Moscow there have been places where actors gathered called exchanges for more convenient negotiations and for moves from one theater to another. Now a new system of competition has been introduced which is expected to help the theater improve the quality of its company. An experiment that has now begun in 82 of the theater's countries is aimed at the same objective. But it is easy to say 'purge' the companies, to 'infuse' fresh energies.... After all, behind all of this are real people, what will happen to them? It has long been known that it is easier to love humanity than everyone in particular. Once again they remembered the exchange, only now they have a more proper name for it—the advisory center. Representatives of 80 companies have come to the capital. According to the official results, the business meetings were successful, more than half of all the participants have gotten new jobs. But the main thing is that many theaters still will not be able to fill the vacancies that have just been opened because the city will not provide apartments to the performers who have just arrived. The dormitories which have a sad reputation with actors and lack the elementary comforts and conveniences seem particularly depressing. That is why to fail to be reappointed is equivalent to failure, to disaster for an actor. On the one hand, this is a blow to his vanity, but the most difficult thing is the inevitable move to another city, and as a rule the complete absence of guarantees of housing and other arrangements for everyday life. The theaters in Tobolsk, Kansk, and Buguruslan each need to get 12 performers; 7 people are needed in Kimry, 6 in Orsk...."

This is the kind of disaster and failure in life that Shmelev's model turns out to be in practice. In proposing that a reserve army of labor be created, he did not even think about the particular features of mobility of the population in our country, he took no trouble to think

out migrational processes. But it is quite well-known that the lion's share of the migrants are people who are mainly young and still have not been furnished housing. It is precisely this cohort (a demographic term) that is moving from rural areas to the city and that is going to new construction projects. For example, 70 percent of those who have come to Naberezhnyye Chelny were without family or without children.<sup>8</sup> There are also quite a few migrants among those who own their own dwellings—they sell their house in one place and buy one somewhere else. But what about those who live in state or cooperative apartments—and they are the overwhelming and decisive majority!—they are very firmly fastened to the place where they live. "The apartment stakes out your area!" I was told by many construction workers of the VAZ, the KamAZ, and Atomash who had come to these construction projects as bachelors, but had started families there and obtained apartments and did not intend to move from the places where they had settled down. Only a small trickle of intercity exchanges helps sometimes to set people living in state apartments into motion. But what kind of reserve army of labor can we speak of when the main element of redistribution of manpower is lacking—its free and voluntary mobility? After all, it is not possible to solve the problem of unemployment and job placement within the limits of any city separately; incidentally, this is indicated by the present streams of migration like a pendulum between the large cities and the suburbs. Even the move from Kursk to Belgorod, as we have just seen with the example with the theaters, threatens people with the most complete failure in their lives.

But other disturbing symptoms have already made their appearance and they are not confined to actors. To be specific, a very complicated situation has come about at the Ladoga Pulp Combine, which is closing down because it is destroying the lake. And one of the workers on the program "Vremya" told a correspondent in a state of perplexity and depression: "We understand that the combine had to close down, but where are we to go? After all, we have apartments here which we have waited for for decades. Where would we go from here? To be tormented once again without housing? And if they rebuild the combine, they will not hire all of us as builders, they do not need that many. And there is nowhere else to work here. What are we to do now?"

Here they are, the concerns of real life. But Shmelev, who has a splendid knowledge of how the unemployment mechanism works in the United States and how Professor Smith solves his housing problems, does not even take our problems into account, being unfamiliar with them. After all, in his arguments the author of the article "Advances and Debts" does not take social objectives as his point of departure at all, but only the efficiency of labor and filling store shelves. He writes: "The real danger of losing your job, going on temporary welfare, or being required to work where you are sent is not such a bad remedy for laziness, drunkenness, and irresponsibility."



How soulless and inhumane is Shmelev's version of the economy, and since it manifestly diverges from our ethical conception, it is not without interest to go a bit deeper to clarify what is really involved here and what are the roots of the differences.

Well, first of all, one is immediately struck by the fact that the formula of "being required to work where you are sent" signifies for people living in state apartments not only that they lose their jobs, but they are also deprived of a place to live, and this is an outright contradiction of our Constitution. It is surprising that Shmelev did not take this consideration into account. But even that kind of superficiality, which is flagrant for a doctor of sciences, fades before another conclusion that follows directly from his proposal. To draw it, one first needs to take the following into account: The kind of universal unemployment as is widespread in the Western countries is, as they say, physically impossible in our country in the foreseeable future. It can only be a matter of areas with surplus labor, since Siberia and the Far East are ready to absorb any realistically possible surplus of labor, and this is not to mention the deep rural interior. But what in this case does Shmelev offer us? Here it is: If a man who has lost his job does not want to voluntarily give up his apartment and go "where he is sent," then at the end of the temporary welfare benefit he will be turned into...a parasite and will come under the appropriate article of criminal legislation that threatens forcible resettlement to areas with a labor shortage. But how does this square with the process of the democratization of society? And how, then, please, does the remedy invented by Shmelev differ from the recipe of the thirties, when there was forcible resettlement carried out by means of the GULAG? Or from the Chinese "cultural revolution," which put urban young people into rural labor camps?

So it turns out that because they were not thought through and the approach was superficial the "newest" proposals of certain left-wing "reformers of the economy" go hand in hand with the old methods condemned by the party and the people. Unconcerned by the fate of "living people" (this is what makes the Shmelev economy unethical), the author of the article "Advances and Debts" thoughtlessly failed to pay attention to the complicated problems with housing in the USSR which are manifested in migration of the population. And in that case Shmelev's allegedly "economic" coercion turns out in fact to be antidemocratic, administrative, and forcible resettlement. Again we see irresponsible confusion—this time between the free housing market in the West and the constitutional right to housing in the USSR. This is a theoretical turmoil amazing for a doctor of sciences!

Incidentally, this has been called attention to by E. Pletnev in his article "Political Economy and Restructuring," published in the newspaper PRAVDA in the

department "Questions of Theory." The author, who clearly was debating Shmelev, writes:

"Underestimation of the main wealth of society—man, the builder, who is developing more and more—has given rise in certain of our economists to reliance on deliberately allowing a certain level of unemployment to 'bolster' the fervor for work of the citizens who do remain employed. There is nothing more theoretically illiterate nor more harmful in practice than such recommendations!"

Elements of a certain callousness and of solving economic problems divorced from the vital interests of specific groups of workers are unfortunately beginning to penetrate the arguments of certain scientists more and more frequently. To be specific, this cropped up during the television discussion with A.G. Aganbegyan, member of the academy. A woman who had come to the discussion from Bashkiria asked the member of the academy whether it was correct to establish for all administrative districts the same rate of deductions for social welfare; after all, today there is an appreciable difference in social development from one district to another. Aganbegyan answered firmly that the time had come to put an end to leveling, that there has been enough fleecing of those who have performed well, so let those whose affairs have gone badly end up in worse shape. Referring to Italy's experience, he demanded that uniform rights be adopted. But the woman from Bashkiria continued to protest them, and the auditorium supported her with its applause. As a matter of fact, everyone is aware of the situation in Bashkiria: Shakirov, the former first secretary of the party obkom, made use of defective methods of leadership and was penalized. But why must the population of Bashkiria pay for the errors of the first secretary today even with a temporary reduction of its standard of living? Is this fair or not? Shouldn't some thought be given to the applause of the audience? And isn't the very apt remark of Vladimir Ilich Lenin applicable here: to the effect that "people who like to climb to a higher and supposedly 'state-economy' point of view" too frequently forget very simple considerations?

A similar situation came about during the television discussion between B.A. Stroganov, deputy chairman of USSR Gosplan, and L. Voznesenskiy, Gosteleradio commentator on economic affairs. Stroganov attempted to speak about the difficulties occurring during the transition to self-financing of losing enterprises, and about the need to adopt differentiated rates. But Voznesenskiy, who had referred to this in passing, placed the principal emphasis on the concerns of the strong enterprises and said that the "social security principle" cannot be applied. It is not clear why social security, which provides the most important social welfare guarantees, is so disliked by Voznesenskiy that he used it in a negative comparison. Again and again one feels here particular attention to those "who want to and can" and indifference toward the rest.



And in order to prove once and for all how negligent Nikolay Shmelev has been in his program for "economic recovery," I will recall his proposal to compensate the rise of prices by raising the rate of interest on deposits in savings banks. In this case, the author of the article "Advances and Debts," just as in his other formulas, does not bother himself with evidence, but simply issues the declaration. But can a proposal be presented without prior study at least of the regional distribution of bank balances in the economy? Would such a measure not result in additional income for those places and localities which even today are distinguished by a higher level of prosperity of their inhabitants? (For example, quite recently the newspaper PRAVDA wrote: "The purchasing power of inhabitants of the Transcaucasus and the Northern Caucasus is today somewhat higher in a certain sense than that of the statistically average Muscovite.") Or is Shmelev actually striving for a further stratification and an overthrow of our principles of social equality?

We have already said that the author of the sensational article "Advances and Debts" irresponsibly confused the garden-orchard boom with solving the fundamental problems of agriculture, that his recommendations on introduction of unemployment are theoretically illiterate and harmful in practice, and that he has little familiarity with the realities of life. There are several other lines in the article "Advances and Debts" that are not without interest to quote in this connection:

"The most unbridled leftism and stupid bungling gather under the banner of the fight for social justice and the fight against income not derived from work. Finally, once and for all, we must decide what is more important to us: to have a sufficiency of food for ourselves or to perpetually humor advocates of equality for all in poverty and various kinds of irresponsible crybabies."

Yet what are Nikolay Shmelev and his editor at NOVYY MIR, Anatoliy Strelyanny, talking about? What are they appealing for? In what coordinates are they talking about leftism? What kind of sufficiency of food are they interested in, and for whom? Which irresponsible crybabies are we talking about?

Once again one wants to say—"That is known to Allah!"

So, it is not difficult to be persuaded that scheming and scholasticism—whether it is a question of paying court to farming or introduction of unemployment—grow up out of a weak and insubstantial familiarity with our realities of life. But the concern that arouses these journalists to think about the search for new strategies can unquestionably be understood: there is a need to break down the command-administrative methods of managing the economy as soon as possible and to make the transition to economic levers of management. There is no difference, of course, between us, nor can there be, on this primary motivation.

The differences lie in the old fundamental question of whether to use for renewal and recovery of the economy methods borrowed from abroad or to take advantage of those work forms which historically have been more native to us and closer from the standpoint of social welfare?

After all, if we pass our mind's eye over the "innovations" we have critically examined, it is not difficult to note that they have a blood relationship: they all "work" wonderfully in the Western countries. For some reason, relying on successful experiences abroad, some journalists and economists propose that they be applied in our country. But in so doing they do not take into account that that introduction is in many cases impossible, since phenomena and political economy that are externally identical work quite differently in different social systems. It is to demonstrate this that we have been paying so much attention to an analysis of the unrealistic nature and insubstantiality of the former strategy and unemployment in our country. If methods of "economic recovery" that are so alien are artificially transplanted into the living tissue of socialism, they simply will not take, they will be rejected by the social structure itself. And here we are not dealing with any kind of dogmas in the way of thinking at all, but with the realities of economic life that have taken shape. That is the way our oven bakes! If you even attempt to undertake such variants, you still will get nothing except economic anarchy and a sharp intensification of social tension. Is there not evidence of this in the sorrowful experience of the acting profession, where the free labor market was imitated?

The whole point is that some journalists have a far more thorough knowledge of foreign economic reality than of our own and that is why they cannot propose different strategies than those which they have been observing in other.<sup>10</sup> One particular thing that follows is the desire to utilize the family labor and farmstead experience of Poland, which is the origin of our own farmstead movement 100 years ago, a movement that still has not taken. Which accounts for the desire for "privatization" of agriculture that is very notable in the arguments of other journalists. (This word "privatization," which signifies the transition to the private system, is already widely current in the West, signifying those "new strategies" which we supposedly are looking for in our agricultural sector.) And this is why Anatoliy Ivashchenko, political commentator of Central Television, warmly congratulates some furnace stoker who in the time he has free from daily periods of duty has been raising 15 pigs under the terrible and unsanitary conditions of a settlement of dachas and complains that he is not always able to intercept the trucks from Moscow carrying food scraps. And again we hear the same theme: Here is the person who can feed the country! But why unlawfully snatch away the already scanty scraps from kolkhozes and sovkhozes, would it not be better to think about setting up a cooperative that would collect those food scraps in large quantities and turn them over to large specialized farms? I think that in that case that the furnace stoker from Tayninka with his antediluvian methods, precluding even the very possibility of mechanization, would not suit us so well.

But the most important and dangerous thing lies in the fact that the excessive fascination of certain journalists with the idea of farming, linked up with depeasantization, and their desire to privatize agriculture cast a shadow on the most acute and most burning problem of rural areas today: What will happen to the losing kolkhozes and sovkhozes which will have a very difficult time making the transition to self-financing? In the essay entitled "The Weak and the Strong" (NASH SOVREMENNİK, No 9, 1987) I wrote in detail about this most painful problem and I now recall only the final conclusion: a terrible danger of devastation and further abandonment hovers over the rural interior!

Even the advocates of farming as a strategy seem to be aware of this, since they also do not see any salvation in the traditional methods of saving the deep interior which have been repeatedly applied over the 40 years since the war. Which is why they grasp for the last straw—the peasant from Arkhangelsk.

But we have become convinced that the private homesteader as an economic type is altogether unviable; under the conditions of our deep interior a system in which small amounts are produced for the market cannot be the transition to a large-scale industrial farm.

What is to be done? Is there no way out at all?

It seems to us that there is a way out. And the sensible "intellectual" peasants in the rural interior are already beginning to quietly use their brains in a new direction: they are thinking about creating farmer artels.

The artel!

This is the historical Russian form of work, a truly folk form, that is close and comprehensible to the peasant's heart and mind. A voluntary artel that rents land, that farms in its own way and is not squeezed by any kind of planning from above. Completely independent, not subordinate from the economic standpoint to any organizations erected above it, and with the right to sell its products freely.

Production cooperation as Lenin understood it!

This ideal kolkhoz, which has never been achieved in practice for certain historical reasons, would preserve only its original name—the "agricultural artel."

Nikolay Semenovitch Sivkov, a working and nimble-witted peasant from Arkhangelsk, whose main endeavor has been to restore to life the neglected land in the Russian interior, was one of the first to realize this. From the first, in the difficult search for new strategies, he undertook the heroic attempt to set up a family farm on a farmstead. But reality quickly demonstrated its unviability, and that is what suggested to Sivkov a more realistic way of achieving his goal.

When this article had already been written, it was with extremely great joy that I read in the newspapers that Nikolay Semenovitch had organized in Krasnaya Gorka a cooperative: in other words, an artel, and was now farming on a large scale.

I look hopefully on this interesting experiment, which needs to be thought through and supported by the government. Although—pleasant surprise!—judging by the newspapers, after he set up the cooperative, Sivkov's relations with the local officialdom improved radically. A good sign! And I would like to hope that the first land production cooperatives, these peasant artels, which are reviving escheated villages and abandoned land, will be given assistance and support by everyone from the rayon soviet to the Council of Ministers!

Necessary Addition. Our life today is going forward so rapidly that the author must make yet another addition, this time on the page proof. M.S. Gorbachev's speech at the Fourth All-Union Congress of Kolkhoz Members offered a detailed program for development of the cooperative movement. This means that the broadest prospects have now been opened for the cooperatives and the artels. The support of the state for the artels is guaranteed!

#### Footnotes

6. Several Muscovites recently came to the "Truzhenik" Sovkhoz in Tarusskiy Rayon and offered their services: to take a family contract to fatten young beef. But "Truzhenik" is located 3 km from Tarusa, in an exceedingly beautiful locality on the bank of the Taruska, in the vicinity of Ilya's Pool, which Paustovskiy wrote about. The rayon needs abandoned land to be developed in Korytna and Poluknyazevo. And that is why the Muscovites offered to tackle farming in precisely these out-of-the-way places. But they immediately gave it up. And the rayon leaders got the idea that the desire to undertake the meat contract in "Truzhenik" concealed a disguised desire to acquire a dacha in a beautiful place. After 3 years they would give up the contract, but the house would still be theirs. The extremely rare cases when people from the city declare a desire to take a contract in the deep interior (leaving their city apartments behind) are to be explained by ignorance of the conditions for family farming on a farmstead.

7. I have written in detail about this article, which was sharply criticized at the party congress, and in general about certain attempts to "manipulate" peasant land in an essay entitled "Union" (NASH SOVREMENNİK, No 12, 1987).

8. Which is why returning is so strongly developed among them: 60 percent of those who came to build the KamAZ left there in the first 2 years.

9. In this case, we are not talking about the ideological and social aspects, since they automatically follow from the characteristics of the social system in which such fundamental phenomena in political economy can exist such as the farmer type of economic entity or unemployment. If we are to talk about particular matters such as the joint stock company or the mixed form of ownership, then there are no objective reasons at all, including ideological reasons, which would prevent us from borrowing freely from this foreign experience.

10. In a field session of the Secretariat of the RSFSR Union of Writers in Vladivostok in September 1987, I mentioned that the tone in the discussions on our domestic economic issues was quite often set by specialists from the Institute for the United States and Canada (LITERATURNAYA ROSSIYA, No 42, 1987).

07045

### **Stereotypical Thinking, Old Economic Concepts Challenged**

18200213a Moscow SOTSIALISTICHESKAYA  
INDUSTRIYA in Russian 24 Jun 88 p 1

[Article by Vasilii Krasulya: "What a Bureaucrat Relies Upon"]

[Text] We journalists personify a rejection of changes in the lifestyle of a bureaucrat who clings to his armchair and privileges. A directed journalistic fire has been opened up upon these individuals. And what is happening? Judging from the press, nothing. The departments have clipped off the wings of the Law Governing a State Enterprise. The order concerning taxation has for all practical purposes cancelled the plans of nine out of every ten potential cooperative specialists. One cannot help but see that, following temporary shock, the enemy has adjusted to the situation, has become bolder and has launched an offensive in a number of sectors. Why? There are many reasons. Allow me to discuss what I think are two of the more important ones.

The first: they sensed support in the depths of social consciousness. And more exactly, they interpreted the inclination towards conservatism on the part of many people as silent approval.

The second—we defined bureaucracy in a completely unscientific and politically incorrect manner as merely an unhealthy growth on the healthy body of society. Actually, throughout the long years of functioning of the command-administrative system, bureaucracy became an organic part of society and its interests merged well with the interests of rather broad layers of the population.

Is our consciousness already so revolutionary that we are unable to reflect or become alarmed in this regard? Are we not repeating the error made by Hertsen and the Russian populists who piously believed in the innate

social nature of the Russian man? Indeed, the rejection of stagnation is still not revolutionary in nature. A revolutionary nature consists not only of being "against" something but also of being consciously "for" something. How can our own consciousness be revolutionary if it has fed on demagogy for decades?

Bureaucracy thrives parasitically on the sleeping political consciousness of the masses. Thus its hymn is a lullaby which soothes and avoids conflicts. And it is not important for it to be played often to the thunder of a brass band, but rather it should assume the form of a political manifest, as was the case in the "letter" by N. Andreyeva. Following an editorial article published at the Stavropol zonal party school, a questionnaire revealed that 60 percent of the party workers at the rayon level support the position advanced in the "letter." Is any further commentary needed?

The need for property differentiation subjects individuals who consider themselves to be Marxists to vicious attacks. Recently I expressed the thought in our newspaper that nothing will happen to socialism so long as the land leased by a peasant earns 100,000-200,000 rubles over a period of 10-15 years. A group of local social scientists responded to the article and rebuked the author for his petty bourgeois inclination and leaning towards enrichment.

One of the authors was Yu. Davydov, rector of a pedagogical institute and a political economics professor. It is improper to count the money in somebody else's pocket and yet I was interested in his earnings. It turned out that the income of this rector and doctor of science amounted to more than 100,000 rubles over a period of 15 years. Why was this not viewed by him as unacceptable "enrichment"? Thus the professor considered his 100,000 to be socially more clean and more fair than 100,000 rubles earned by a cooperative specialist.

Such duplicity is the result of a type of aberration that exists in social consciousness. Not having investigated its sources, we were unable to unravel the secret of the well known closeness of bureaucracy and a portion of the nation.

The traditional reverence which our people hold for the state is a known fact. It is for this reason that, in the eyes of many, a bureaucrat is merely one who performs a high obligation. Any official stupidity can be justified in the various areas by a reference to the fact that "the decision was made in Moscow!" The concept of obligation and service to the state—the spokesman for and the defender of public interests—is a key consideration in speculation concerning the bodyguards of "true" socialism. In their opinion, the total penetration by the state into all aspects of society provides the best guarantee for protecting socialist values. Is this true? Indeed, if the state must disappear as socialism develops, then would it not be logical to assume that there will be less socialism in those areas where life is controlled more by the state?



Recently I visited a public catering restaurant. A glass of stewed fruit cost 40 kopecks. I recalled how a student dining hall charged only 6 kopecks for such a dish. I studied the customers: their need satisfied, they appeared silent. I could imagine the degree of civil indignation if the stewed fruit had been provided by a cooperative. It was apparent that if the state had erred in this regard, the situation would not have been good and yet it would have been viewed as the expected development. The salesclerk would have been cursed as a rogue, but the firm for which he works would not have been threatened—for it is the state!

Roughly 48,000 individuals work for the Stavropol kray-potrebovuz [kray union of consumer cooperatives]. Last year, 26,000 incidents of theft were registered here. It turns out that one out of every two workers is a plunderer. What is a present day sel'po [rural consumer cooperative society] or raypo [rayon consumer cooperative society] in the countryside and everyone knows even without these figures. But if you propose to turn over on a rental basis or to sell to a cooperative, a family or a private party all of these small stores, procurement points, oil-mills, cheese makers or curing units, then you will be accused of apostasy. And nobody is convinced by the argument that these "shops" are characterized by more order, more goods and more respect for the customer and by no thievery.

The stereotypes of the equalizing nature of communism possess great vitality. They even weigh heavily upon the world outlook of a political economics professor. Thus, in evaluating the social status of a cooperative specialist, he inclines towards the position of commonplace unscientific reflection. And he does not recognize the equality of his arguments and those of a Soviet farmer. The state established his earnings and so they must remain unchanged. If they are defined as five times more, then they must be five times more. And indeed the individual not only holds the "capital" in his hands, but he must also interpret it for the students.

We are still not fully aware that during the 1930's the predecessors of our present day bureaucrats not only encouraged the command-administrative oprichnina, but in addition they displayed prudent concern for the guarantees for its future. The essence of their effort was simple: to bind people to the legend concerned with the exceptional effectiveness of a mechanism for administering society in which an individual works mainly out of a sense of obligation. And having identified his interests with the state's interests, a bureaucrat-official defines the degree of this obligation, monitors his diligence and takes notes.

Why did the people endure this for so many years? Did they behave only out of fear? No, the roots ran deeper. Two billion rubles were spent in Chernobyl and human lives were lost because of a careless worker, or products were not found for customers the production of which required tens of billions of working days—all of these

crimes were committed not in a vacuum but before our eyes and with our direct participation. The bureaucrats would not have held out for very long were it not for the fact that they had millions of corrupt accomplices.

And this is not a fabrication. Let us take a look at ourselves. It must be confessed that during the years of stagnation our society was transformed into a gigantic enterprise for the consumption of national wealth. All of us profited from the flow of oil, the movement of which to the western borders was accelerated by currency "magnets." But was it not this flow, or the trains carrying timber, furs, sturgeon, ore or other materials which guaranteed social protection for a drunkard or slacker, which made payments for sick lists and for low-rated vuz diplomas, which covered a waste of national intellect and skill and human worth at vegetable bases and which even made it possible to compute the wages for philosophers who proved that money is disappearing under socialism.

We glance condescendingly at Hungary. Why are the counters there overflowing with goods? But on the other hand they are 30 billion in debt. And we are having difficulty making ends meet. The squandering of national resources and a devil-may-care attitude towards nature—are these not our debts? Not for international bankers, but rather for our children.

We must in the final analysis look to ourselves. No progress can be realized unless this is done. Bureaucrats least of all are interested in doing this. They support fully the conservative forces in nature and yet conservatism springs from a lack of knowledge. We possess a poor knowledge of both yesterday and today. We still have not carried out a true national discussion of exactly what a country should be. In local party committees, when discussing the restructuring of "forms and methods," just as was the case yesterday they furnish directions over the telephone for the sowing campaign, for procuring hay and for composing summaries.

Only a few days remain before the party conference and in some areas, just as in the past, the primary party obligation is being overlooked—to arouse social opinion and to summon people to a frank discussion of the most vital problems. The impression persists that here they are waiting for the political battles in Moscow to come to an end, such that later they can join the winners with shouts of approval. A bureaucrat-functionary truly fears responsibility for independent opinion and particularly for independent action.

The future for restructuring promises to give the right to speak to all who have something to say. Let all who desire to do so present their plans and projects. The principle of selection must be the same: everything intended to benefit the people and socialist society must be good, acceptable and effective.



If our economy is truly socialistic in nature, then we have nothing to fear from any economic or financial experiments which supposedly pose a threat as a result of the restoration of capitalism. If we seriously fear the restoration of capitalism, then we do not have socialism but merely the name. But this discovery should not cause us to faint. It will be more useful to muffle the enthusiasm aroused by "achievements" and thereafter to roll up our sleeves and build that which we planned.

7026

**Sumy Production Association Official on Khozraschet, Reforms**  
18200200a Moscow SOTSIALISTICHESKAYA  
INDUSTRIYA in Russian 3 Jun 88 pp 1-2

[Interview with V. Moskalenko, deputy general director of the Sumy NPO imeni M. V. Frunze, doctor of economic sciences, by V. Kovalenko]

[Text] *The Sumy NPO imeni M. V. Frunze is firmly linked in our minds with self-financing. It is this collective that blazed the trail to the newest economic mechanism, having assumed the difficult role of experimenters. For 2 years general attention was focused on the association—at that time everything here was new and incomparable with traditional practice. But then entire branches began to change over to self-financing and interest in the trail-blazers waned.*

The initiators themselves, however, do not intend to reconcile themselves to the role of an "ordinary" collective. There are hundreds of them. What is impeding further development of cost accounting? Why are the possibilities opened up by the economic reform not being fully utilized yet? These questions were among the basic ones submitted for the forthcoming party congress. And they were the main ones in the conversation between our correspondent V. Kovalenko and the association's deputy general director, doctor of economic sciences V. Moskalenko.

[Question] Vladimir Petrovich, let us get right down to basics, as they say—two models of cost accounting. The second, as we know, presupposes much more complete and deep disclosure of cost-accounting relations. But the majority of enterprises have preferred the first, the normative model. Many economists quite correctly, in my opinion, see in this the spinning of the wheels of economic reform—a restructured effect of the normative model several times lower, and the main thing is that it creates conditions for maintaining the administrative-command system of management. But why have you initiators also selected the first model and why not risk joining those few enterprises that have proceeded toward the maximum and now comprise the leading group?

[Answer] It is nice, of course, when they call you a leader. But I think that it is inadmissible and immoral to take an ill-considered risk for the sake of this. The more so since

it is necessary to risk not oneself or even the position of a couple of dozen managers, but the well-being of the collective of tens of thousands of people.

Let us speak seriously. What is the essence of the selection that is now facing the enterprises? The first model guarantees the collective or wage fund even if profit has dropped and the second links it directly to the results of economic activity. Will the Sumy Association imeni Frunze be able to operate in such a way that there will be enough profit for both wages and its own development and as social, cultural and domestic facilities, and also deal with the state budget? I am convinced that it can. But under one condition: if we are master of our own home. And this is not the case now.

[Question] Do you have in mind the state order?

[Answer] Not only that. Things have fallen upon the state order from all sides and it would seem that changes will take place here beginning next year. But let us assume that the share of the state order will drop to 50 or even 30 percent. And we can put together the rest of it at our own discretion. But this is only a fiction, and we do not have this choice. We shall gather orders, there is no question of that. But who will provide for them? There is no wholesale trade and all materials and batching items come from the card catalogues. This means again that what is produced and how much is determined not by us but "from above"—either through the state order or through the funds—what is the difference? The fact is that the products list plan—the basis for the life of the enterprise—is formed by someone somewhere without asking us, but all the responsibility for the results must be borne by the collective. For the office such a plan might be convenient but it is in no way suitable in life. So, as a rule, they select the first model which even with all its voluntaristic aspects guarantees at least a minimum—the wages for the people.

But the results are a deeper contradiction. In terms of its economic content the second model is the real antipode to the expenditure system of management that is developed in our country. Above all it directs the collective toward a sharp reduction of material expenditures. But its work is evaluated as it was before, not in terms of qualitative indicators, but in terms of quantitative ones—mainly the volume of the cost of the products, which draws the enterprise into the opposing side.

The enterprises have been following a path of twisting prices for a long time and have been exceedingly successful. A mechanism has been worked out to perfection. When creating an aggregate valued at 500,000 rubles the designer inevitably "tacks on" technical equipment worth hundreds of thousands. Everywhere, without any need, they send components and parts from one plant to

another, overload the railroad—and also the same purpose. So much labor is invested in shipping in essentially unnecessary batching items and materials, loading them, packing them, assembling them, and then loading them again....

But what is worst of all: neither the enterprise nor the state gains anything from this balancing act—neither profit nor additional output. Its only goal is to create the appearance of high rates and external well-being. A typical cloud in trousers which is officially called double invoicing. This cloud is considered the main thing and takes command over everything else.

[Question] You must be confused, Vladimir Petrovich. How can an indicator that is not even among the basic ones take command?

[Answer] I am not confusing anything at all. I am talking about real life: and this is the way it is: on the first of the month, you must report this calculation indicator first. Then they will ask you about profit and the agreement, but first they ask you about cost. It is used to evaluate both the minister and the director. And I am convinced that until we abolish this indicator we will not be able to get rid of our cost mechanism.

[Question] I agree with you here. The whole question is how to abolish it. Cost is essentially that same "growth output" against which we have been fighting unsuccessfully since 1965. We drive it out the door and it comes back through the window—either in the form of commodity output or sold output. Finally, we have completely excluded it from the basic indicators but it comes back to take command as before. This viability is not without a cause. Obviously somebody needs this indicator.

[Answer] We have caused our economy to speed up, orienting it toward value or, to put it more simply, toward "work that has been done," but now we are surprised that we are overshooting the goal—either we make footwear that nobody will buy or vehicles out of the path.... Nobody needs work "in general." We need the final result. That is why I insist that the indicator of value must be completely removed from circulation.

[Question] But the joke is that it can be removed only if the administrative-command system of management is removed along with it. And so far it does not wish to leave the scene. Wherein lies the force of the enemy? In my opinion the main cause of it is that there is no adequate replacement yet. At the very basis is the fact that there is no economic mechanism in the interrelations between the enterprise as a part of national property and the state as the distributor of all property. Management is arranged on an administrative basis: the order—"from above," and the report concerning execution "from below." Hence the passion for the "growth output" which makes it possible under these circumstances at least to evaluate the work of the collectives under their jurisdiction. But by removing

the administrative system we risk losing the manageability of the national economy. I think that this is the main difficulty. It means that the only way that we can get rid of command methods is if we are able to find an economic alternative to them, above all in the foundation on which we construct the entire management pyramid. This alternative could quite possibly be rental. This is a purely economic form of interrelations. It does not change the nature of national ownership of the means of production but at the same time it gives each collective the measure of independence that is necessary in order for cost accounting to develop fully.

[Answer] During the 1920's, incidentally, when we changed over to the NEP thousands of enterprises were leased to the collectives. Research in this direction is now being renewed. In any case, we have seen the first signs—the Butovskiy Construction Materials Combine. In China in the next few years they intend to lease all of the enterprises to the collectives. So the idea is productive; I don't think that there is any question about that. But let us look at how it is included in real life.

Let us assume that our collective has leased an association for about 10-15 years. I do not think that the time period can be any less if we want to avoid provoking attitudes of temporary residents who are concerned only about getting as much as possible regardless of the cost. So when concluding a lease agreement we automatically assert the main principle of the new law. The state and enterprise do not bear responsibility for one another's actions. But so far we are only declaring this and this means that in real life there is not yet a place for real cost accounting.

Let us just take this example. Any day now we will receive a new facility on our books, a brand new plant for weighted drilling pipes. It is a modern production that is being constructed turnkey by the Italians. In a word, everything is good except for one thing: it is very expensive. In terms of cost its funds are practically equal to the entire association but it will only produce one-fifth the amount of output and profit. In other words, our collective will have to pay for this "gift" although, naturally, nobody thought to ask about this when they were making the decision about the construction. But the main thing is that even today, under the new conditions for management, there is no guarantee that such a story will not be repeated. And when we are renters, excuse me, but nobody will dare to pound a nail without our asking for it.

[Question] But this is good from the standpoint of the individual collective. But if one places oneself in the position of the state—are these pipes not necessary?

[Answer] Well, go ahead and build as much as you want to, but pay for all of it. But why deceive yourself? So this is what happens now: a production of low profitability is forced upon an association and it is thought that the state has saved from this. But the state and the individual

enterprise can pay with only one thing—newly created products. And there will not be any more of these because of these savings on paper. And then there will be another discrepancy between what is on paper and what is in life. This discrepancy will necessarily be felt—in the prices or in other disproportions—and sooner or later the state will still have to come back and pay. But the rate will be twice as high.

If one looks at the real interests of the state they are simple—to obtain as much possible capital in order to maintain the defunct level, develop the social sphere, and make structural changes. This capital can be produced only by the enterprises. And the more effectively they operate the more that can be obtained from them. Here the interests of the state and the enterprise are the same and the economic mechanism must be constructed on this. It is another thing that each enterprise will try to jockey itself into the most advantageous conditions. But today we have the same contradiction, only it is resolved on a prehistoric level—some have taken it by the throat and some by something else but they are in the advantage but on the whole the process is practically uncontrolled.

I shall go further: today's payment for funds and deduction from profit into the state budget in terms of their content are nothing other than rental payment. And on the whole what is self-financing? If we say that the collective should pay itself, and provide for the development of production and the social sphere and at the same time pay the state, essentially we are thus leasing the enterprise to the collective. But having done all this with one hand, with the other we continue to maintain all the mainstreams of management in the "center." Is there even a point about the state order in the Law on the Enterprise? On the one hand, state orders are distributed on a competitive basis and this means that the state must economically motivate the enterprises. But on the other, the state order is mandatory to be included in the plan, but it is nowhere stipulated that it must be balanced with capacities and resources. And so it turns out that the interests of the enterprise might not be taken into account at all.

[Question] Thus it turns out that we are now living in a period of diarchy: the economic mechanism has begun to operate but the administrative mechanism has not given up its position. The balance is unstable and it cannot be long-lived. The pendulum must swing to one side or another. In order for it not to swing backwards it is necessary to give real power to the new. In practice this means forming a qualitatively new management apparatus. How do you see this?

[Answer] The upper echelon is not my realm and therefore I will not go into that issue. What is unquestionable for me? All problems now fade away in the face of one: it is necessary to give the collectives the guarantee that nobody will hinder them from operating well. Hence the requirements as well. If we retain the higher organization

it must be held economically responsible for its decisions. To put it crudely, it must be fully supported on the allowance of the enterprises.

Of course there is an entire complex of issues, mainly long-range ones, where this dependence not only does not produce an advantage but will be harmful. In this case a second variant is possible: the organization is on the state budget, but it does not have the right to give orders to the enterprises.

I know that many will immediately have doubts: how can the state let go of its reins? And why should it? The economic reins are held much tighter and it is necessary to learn to use them. Nobody tells the American farmer that he has to be an efficient manager. But when leasing land to him the state stipulates one mandatory condition: the fertility of the soil must not decline. Otherwise there is a fine, and then another fine, and finally the plot is taken away. This is simple, reasonable, and the main thing is that it is effective.

Of course there is a difference—to lease land, a construction materials plant, or such a large multiprofile association as ours. Of course it will not be simple to form a physically new economic mechanism and it will take many years. We must not underestimate the difficulty. But we also must not avoid the decisions under this pretext.

I think this is the right time to recall why we are undertaking all of this. In the final analysis it has to do with only one thing—the renewal of man. We must admit, finally, that here we have reached the end of our tether: we have corrupted people and taken away from them both hunting and the ability to actually work. As a result they have forgotten how to live in a human way. With this attitude there will be no acceleration at all. Renewal is needed like the air. And it begins with the right of the master.

I speak about this with complete confidence because we began to work seriously on cost accounting long ago. So far we have only made our way through the upper layer, to the most aware part of the collective. But I must say that the others are different too. During the past 3 years the changes have stirred the people up. They decided to change several shops over to the contractor and I could literally feel how the people were changing. I would perhaps formulate their main requirement on us managers today as follows: either we undertake this matter seriously and take it to the end, or we should not get into it at all.

Why was I so attracted to the idea of rental? Because it makes it possible to construct the whole economy of interrelations logically? Undoubtedly. But there is a second, no less important side. Rental is simple and comprehensible to everyone. One can come to a shop or section and say: all that is yours. What you earn is what you will get. What you say or accrue is what you leave to



your children. And this will be the truth. The truth itself—clear and fair—which people have been yearning for. For in order to become a master it is not enough to understand what is advantageous to you. You must also believe it.

...I began this conversation on a pessimistic note because I believe that the main thing now is to reveal and eliminate those obstacles that stand in the way of normal development of the new economic mechanism. Independence—of the enterprise or the brigade—is the feeling of being a master. And this will not appear until we give the collectives the real right to complete authority to dispose of part of the national property. And therefore it is necessary immediately to tighten the reins of the value indicators, to bring supply in line with them, and to remove other restrictions that bind us to the administrative-command system. I am speaking about this so ardently because we have resolved the issue for ourselves and have prepared proposals concerning changing the Sumy Association imeni Frunze over to the second model of cost accounting.

11772

#### **Slyunkov Visits Estonian Association, Discusses Goods Production**

*18200212a Tallinn SOVETSKAYA ESTONIYA in Russian 27 May 88 p 1*

[Article: "A Requirement of Restructuring - To Manage More Effectively"]

[Text] On 26 May, member of the Politburo of the CPSU Central Committee and secretary to the CPSU Central Committee, who was then located in the republic's capital, began acquainting himself with life in the capital of Estonia through a visit to the "Standard" Scientific Production Furniture Association.

This enterprise, organized slightly more than four decades ago based upon a number of semi-primitive workshops, has now become a leader not only in the republic's but also the country's furniture industry.

Producing 18.5 million rubles worth of products annually, the "Standard" Association sells one half of its volume through stores and almost 20 percent of its products are sold on the foreign market. Approximately two decades ago, the enterprise commenced export deliveries. At the present time, its departments have a large quantity of equipment that was procured using the enterprise's own currency funds.

The secretary of the CPSU Central Committee was informed regarding these matters by the association's director R. Ilves, brigade leader M. Roots, the chairman of the labor collective's council U. Khaas and by other workers and specialists with whom N.N. Slyunkov held discussions. During the course of becoming acquainted in detail with the production operations, it was noted

that its technological chain is becoming stronger. However, at the junction points for individual and highly productive complexes there are still some sectors in which manual labor predominates.

One central question which arose during the discussion which N.N. Slyunkov held with the enterprise's leaders and specialists was that of the competitive nature of the products.

The furniture workers discussed the measures being taken to improve the quality of the products. Under the conditions imposed by complete cost accounting, the realization of the collective's social programs and the wages for each worker are directly dependent upon solutions being found for these problems. The only criterion being employed at the present time for evaluating the work of the collective is that of the final results.

This is why the enterprise employed an especially responsible approach when introducing the system of state acceptance. The strengthening of the requirements with regard to the consumer properties of furniture bearing the "Standard's" label did not come as a surprise to the collective. The movement to a higher level of production was carried out in a painless manner at the enterprise and the new scale for evaluations is forcing the workers to improve constantly the various types of work being carried out.

However, acquaintanceship with the enterprise clearly revealed that cost accounting is not penetrating sufficiently deep and its structure is not reaching the brigades or working positions. And yet it is precisely here that the fate of all of the plans and undertakings is being decided.

What is holding up improvements in the economy? One reason cited by the "Standard" specialists is a shortage of electronic equipment, without which it is impossible to carry out the required accounting work, especially the initial accounting. Unfortunately, this misfortune applies not only to the Tallinn enterprise.

N.N. Slyunkov emphasized that cost accounting must necessarily commence with the local collectives. The approaches employed for organizing work under the basically new conditions must be bold, creative and non-standard.

The process of strengthening cost accounting operations demands a new look at the entire complex of relationships between production and science. In this regard, in particular, attention has been directed to the method of "interlocking" these two spheres: a department of the Tallinn Polytechnical Institute is operating directly under the association's roof.

The secretary to the CPSU Central Committee was informed that practical engineers participate here in the work of training the future specialists—wood workers. This approach received a positive evaluation. However,

it was noted that it must be strengthened. Indeed it is possible not only to increase the number of students—production undergraduates—at the vuz [higher educational institute], but also and simultaneously with the training to determine their place in production, such that the future specialist, even during the training process, becomes a part of the collective long before receiving his diploma and shares its concerns and aspirations.

In one of the training lecture rooms, the future furniture specialists study the Polish language. A group of students is preparing for their probationary period in the PNR [Polish People's Republic]. The practice of exchanging specialists with CEMA member states is becoming a part of the current work of furniture workers in Estonia.

Only a few kilometers separate the "Standard" enterprise from the municipal House of Furniture. The latter's halls contain many products which only a day or two ago were located in the departments. During the period N.N. Slyunkov was familiarizing himself with the trade center, the specialists mentioned that there was a stable demand for the products being produced in Tallinn. However, even this circumstance is creating problems: shortages persist in certain types of furniture. It becomes necessary to employ the system of advance orders and it operates more effectively as the production volumes are increased.

The discussion touched upon the problems concerned with increasing the production of consumer goods. One important condition for solving this social task—satisfying more completely the production requirements for raw materials and new materials.

For example, specialists at the Tallinn Estoplast Experimental Plant, the principal product of which is domestic lamps, told N.N. Slyunkov that they could vary considerably the range of their products if they had adequate supplies of plastics, wood, metal, paints and hardware. The limitations in composition materials are still holding back the possibility of offering greater quantities of their products on the foreign market.

This year began in a complicated manner for the enterprise's collective—with a conflict concerning a state order "issued" by the union ministry to which the plant is subordinate. The offices of USSR Minelektrotekhprom [Ministry of the Electrical Equipment Industry] had not taken into account the fact that the enterprise's production capabilities were being employed to the maximum possible degree and that the plant has long been in need of modernization.

But this was not the only problem. The enterprise utilizes local raw materials for the most part and this fact is not always taken into account in a state order. In any case, the labor collective's council, taking advantage of the rights extended to it by the Law Governing an Enterprise, forced the ministry to coordinate its task.

However, the production workers themselves do not consider the alignment towards lower levels to be correct. To the contrary, they are persistently searching for opportunities for increasing their production of goods in those areas where there is an acute need for personnel. The electrical engineers consider one means for achieving this goal to be that of converting over to republic subordination.

The secretary to the CPSU Central Committee expressed the point of view that such a step is fully realizable, since it derives from the party's program for creating more effective plans for administering the national economy. It makes good sense to search for promising partners throughout the country and to create inter-republic associations. These are precisely the production units that are capable of successfully solving tasks as part of an overall operational complex and of achieving high and stable rates of development for production.

During the second half of the day, N.N. Slyunkov met with builders in the republic's capital. He visited a block that had been restored in the Lasnamyae region. Here a brigade of Construction Administration No. 4 of the Tallinstroy Trust, headed by V.A. Saarom, is erecting a school building. The work is being carried out in accordance with a tense schedule. The school must be turned over for operation on 28 June, prior to the opening of the 19th All-Union Party Conference. Such was the decision made by the collective, which consists of 45 true masters of their work.

During a discussion with them, the secretary to the CPSU Central Committee displayed interest in the manner in which the cost accounting forms for organization and wages are being developed in the construction organizations. Is the sphere of their activities being restricted by actions taken at the association or trust levels? How is cost accounting working out in the brigades?

The builders have their own problems. Recently a shortage of tower cranes has appeared once again. The equipment is becoming old and new ones are slow making an appearance. The situation with regard to light mechanization is not improving. The workers believe quite fairly that in many instances this is the result of shortcomings in the organization of labor and supply.

What is the solution? The people understand well the advantages of the cost accounting forms and despite this fact they tend to vacillate and bide their time. During the discussion, an idea surfaced—establish business-like contacts with cooperatives and particularly for the purpose of improving the use of equipment. The contractual forms will then be employed in operational practice more extensively and in a more confident manner.

Emphasis was placed upon the need for making more complete use of economic levers in the relationships of builders with planners. At the present time, in the form

of an experiment and utilizing contractual prices, the builders are erecting several socio-cultural installations. A stimulus is appearing for improving the plans, the quality of many of which is still being criticized quite fairly by those who are implementing them and also by those for whom the installations are being erected.

The workers claim that complete cost accounting operations are being held up by an excessively large administrative staff, which constitutes an unnecessary burden under self-financing conditions.

N.N. Slyunkov stated that the Law Governing a State Enterprise makes it fully possible, using the authority of the labor collective councils, to know what personnel are assigned to a brigade, column, administration or trust. Unnecessary administrative elements must be eliminated. This can be achieved under the conditions of democratization and glasnost. In this work, the role played by the party organizations and communists, their true evaluation of the situation, the knowledge of the personnel and their ability to take into account the opinions expressed by the labor collectives are viewed as being considerable and of great importance.

In responding to the questions of the builders, N.N. Slyunkov did not sidestep the more urgent problems. In particular, he noted that in order to improve the supply of food products for the republic's population, a need exists for raising the efficiency of use of resources, including a more extensive introduction of contractual forms for labor organization in rural areas and instilling a sense of being a zealous master in each individual.

In a construction materials store of the Estontara Association, N.N. Slyunkov became acquainted with a system for supplying private builders and the members of horticultural associations with the products of cooperatives attached to Gossnab for the Estonian SSR and he met with their leaders. The discussion touched upon a complex of basic problems concerned with the cooperative movement—interrelationships of the state and cooperative sectors of the economy, wages of cooperatives and the taxation system.

The republic was the first in the country to convert over to wholesale trade in a wide assortment of production-technical goods. Having proved its effectiveness, this form of trade raised new problems. A speech delivered during the meeting with the Gossnab leaders was concerned with how best to solve these problems.

Out on the streets, at construction projects and in a number of stores, the secretary to the CPSU Central Committee met and held discussions with residents of the capital of Soviet Estonia. These frank discussions touched upon many aspects of the peoples' lives—their work, daily routine, studies and recreation. In these discussions, the people of various age groups and professions shared the same opinion: the restructuring started by the party is a national endeavor and each individual

must strengthen it through unity of word and action. We must achieve the planned goals as quickly as possible. This is being made possible by the economic reform, the levers of which should be employed skilfully and effectively.

N.N. Slyunkov placed flowers at the memorial to V.I. Lenin.

Flowers were also placed before the memorial to those who fought for Soviet rule in Estonia

A visit was carried out to the VDNKh [Exhibition of Achievements of the National Economy] of the Estonian SSR.

N.N. Slyunkov was accompanied by comrades K.G. Vayno, N.P. Ganyushov, B.E. Saul and E.-A. A. Sillari, deputy chairmen of the ESSR Council of Ministers P.K. Paju, V.F. Paulman and R.I. Sheremeta and the leaders of a number of ministries and departments and party and Soviet organs of Tallin.

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## INDUSTRIAL DEVELOPMENT, PERFORMANCE

### Commission Association Cites Success Under Self-Financing

18200214a Moscow *EKONOMICHESKAYA GAZETA*  
in Russian No 25, Jun 88 p 10

[Article by S. Gunina, director of Komissionorg Retail Trade Association, Kuybyshev: "Commission Trade—Both a Partner and Competitor"]

[Text] A noticeable revival is being observed today in the commission trade. An excessive accumulation of monetary means among the population, compared to the rates for the production of consumer goods, has resulted in an inability to satisfy demand. The "Komissionorg" [Commission Trade] System, which was given up as hopeless, it turns out is correcting the situation through the redistribution of products which were formerly in use and the attraction into circulation of products of non-traditional production operations.

New opportunities for improving the work of commission stores have been opened up with the conversion of trade over to complete cost accounting and self-financing. During the first quarter of this year and compared to the same period for last year, commodity turnover for our association, for example, increased by 33.6 percent. We obtained 135,900 rubles worth of cost accounting income. In all probability, the readers of *EKONOMICHESKAYA GAZETA* will find it interesting to learn how, under the conditions of non-funded operations, the collective succeeded in achieving such perceptible growth in its indicators. I will try to explain.



Bearing in mind that success is not achieved accidentally, we carried out a tense program for developing the production base and for mastering the new managerial methods even prior to converting over to self-financing. In particular, last year we opened up four new stores with an overall area of 1,500 square meters. Reception points for products were organized at large industrial enterprises in Kuybyshev. By agreement with local soviets, clearance sale fairs for their products were placed in constant operation.

Nevertheless, it is our opinion that one valuable and chief concern and a promising reserve for the further development of commercial activities is that of organizing business-like collaboration with the cooperatives and with persons engaged in private labor activities. Over a period of 3 months alone, through a network of commission stores, we sold 760,000 rubles worth of goods produced by them. This overall amount is rather impressive. And indeed these production cooperatives are only in the developmental stage. Thus the potential possibilities here are tremendous. Taking them into account, we have assigned a new orientation to the work being carried out by the trade enterprises.

An important aspect is a showcase that makes it possible for a potential purchaser to acquaint himself with the products of cooperatives and private workers. Thus we opened the "Umelets" Store, which specializes in the sale of such products. Extensive advertising of the enterprise through the press and television helped to establish partner relationships not only with local cooperative workers but also with skilled craftsmen from other oblasts of the country. The Moscow Nerl Cooperative has begun supplying childrens' clothing and leather goods and the Tbilisi Progress Cooperative—fashionable women's clothing. Individual workers in Simferopol, Shyaulay and Alma-Ata are supplying the trade stores with very diverse products. The increasing flow of goods has made it possible to open up specialized sections in each store of the association.

We are striving to develop partnership relationships with the cooperatives on a mutually profitable basis and by combining economic interests. Such an approach is of special importance to enterprises the financial status of which has been unstable up until recently. For example, Store No. 39, which opened up for business comparatively recently, sustained losses in the amount of 4,200 rubles last year. We undertook an unusual experiment in the interest of raising its profitability—we "united" the trade enterprise organizationally with the Elegant Sewing Cooperative. Moreover, there was good reason for selecting this collective.

Stylish and good quality jackets, skirts, hats and other products of the Elegant Cooperative have gained popularity among the consumers and do not remain for very long on the store shelves. However, the production base of the cooperative, which is located in an unsuitable facility, has not ensured normal working conditions.

Thus the association concluded an agreement with the cooperative which called for one of the halls of Store No. 39 to be made available for its use. Technological equipment was installed in this hall and the working positions were organized. The store accepted responsibility for the sale of the products.

For their part, having been given a roof over their heads, the cooperative workers vowed to produce 30,000 rubles worth of clothing products monthly and to pay rent for use of the facility. And the results of this mutually profitable collaboration were apparent almost immediately. The initial profit was realized. The calculations reveal: the increase in commodity turnover through sale of the Elegant's products will within the next few months elevate the store to the level of profitable enterprises. The dissemination of this experience to other trade enterprises is considered advisable. However, by no means are all of the cooperatives hurrying to make use of the services offered by the commission network. A low economic culture and the psychology of "easy money" tend to motivate a collective into selling its own products independently. What is the point here? It concerns the fact that many cooperatives do not wish to part with the 7 percent value of the goods sold, an amount which remains in a store's cash register if they are provided with assistance in the sale of their products. As is known, these funds constitute the income of a trade enterprise, with such income being used to cover distribution costs, withholdings for the centralized funds and the formation of the wage and production-social development funds.

As a rule, a great deal is being said at the present time concerning the fact that cooperatives represent competition for the trade. And we have analyzed the situation and have undertaken measures for excluding cooperatives and private workers from the market, thus establishing strong competition for them. The association's stores organized clearance sales at markets throughout the oblast. The task was as follows: to present for the selection by fastidious customers of several models of those products which cooperatives and private workers could only supply as a rule in not more than one model. An equally important role is played here by the price, which in the case of commission goods is lower as a rule.

The advisability of selling goods through the Kommissioning Network is dictated not only by the interest of the association's subunits in increasing their commodity turnover but also by the consumer interests. It was noted that cooperative workers who are weakly oriented towards market conditions are inclined to inflate the initial prices for their products. Time is passing until supply and demand determine the true price. The schedules for bringing the goods and the purchasers together are being dragged out. And it is here that our specialists can furnish skilled assistance. Without mentioning the final price, the commodity experts furnish recommendations as to the quantities of the products to be sold. In the process, the rather rapid saturation of the market with goods for which there is a raised demand is taken into

account. Thus, only 6 months ago private workers turned over womens' coats the price of which was 300-350 rubles and today our recommended price is on the order of 200-230 rubles. And they, convinced that we are correct, agree with this price.

The marketing of cooperative products through the channels of commission trade also serves as a type of state acceptance that hinders the delivery to market of low quality products. The initial experience in collaboration with some private workers has cast doubt upon their reputation. Angry customers have turned up at the trade stores: footwear for which they paid high prices became unglued after having been worn for only a short period of time. The customers had to be reimbursed for their losses. In turn, the trade presented claims against the individual workers, after recommending that they rate the cost of the products in conformity with their quality and the length of time they are suitable for wear. After listening to the advice, the shoemakers began to sell womens' boots for 80 instead of 130 rubles, with the quality of the products being improved at the same time.

The new forms for collaboration with the cooperative sector have been of assistance in applying pressure to the "black market" in one extremely profitable sphere of activity—the sale of automobiles and spare parts for them. A decision was made to attract customers on the basis of high quality service. At the present time, we are negotiating with the Avtoeksperiment Cooperative, which specializes in the repair of motor vehicles. We wish to integrate it into our trade on a mutually profitable basis.

We view an expansion in collaboration with cooperatives and persons engaged in private labor activity as a guarantee for successful fulfillment of the increasing plans for commodity turnover. Thus there is a need to shed light on those problems which are hindering the development of business-like contacts.

Legal clarity must be introduced into the question as to which products should be produced by private workers and cooperatives and which should be viewed as a means for deriving unearned income. The commission is receiving products the origin of which is extremely questionable. This includes, for example, certain fashionable clothing items for youth. After purchasing imported jeans in a state store for 100 rubles, some "skilled craftsmen" boil them at home and thereafter turn them over to a commission store at a price of 180 rubles. It is apparent to the untrained eye: the labor expenditures and the price here are incompatible.

On the other hand, strong restrictions have been placed in operation in areas where they are not needed. With the development of business-like relationships with cooperatives and private workers, the collectives of commission stores have been given an additional workload which requires an appropriate material incentive. In principle, we are permitted to award bonuses to

workers proportional to the over-fulfillment of the plan for commodity turnover. The trade enterprises have adequate earnings at their disposal for this purpose. But we cannot dispose of them at our own discretion. The normative ratio for rates of growth in commodity turnover and the wage fund of 0.85, established by the RSFSR Mintorg [Ministry of Trade], hinders us from doing so. When achieving a considerable increase in the volume of commodity turnover and income, we realize only a miserly increase in the wage fund.

Why does this happen? It happens because the planned wage fund was formed in accordance with the actual level for the preceding year and turned out to be low. For it was during this period that the personnel structures of the stores were staffed on the average to only 50 percent. Funds which do not conform to the normative ratio and which were computed in accordance with the wage fund norm are automatically added to the fund for production-social development. It is for this reason that the current bonus is computed in limited amounts. Could it be that the normative ratio should be abolished for a period of time? In any case, at least up until the trade enterprises are able to form adequate wage funds.

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#### Questions Answered on Leningrad Interbranch Associations

##### Interbranch Associations Formed

18200214b Moscow *EKONOMICHESKAYA GAZETA*  
in Russian No 25, Jun 88 p 15

[Article by Yu. Aristakov, Doctor of Legal Sciences: "Socialist Concerns: Rights and Possibilities"]

[Text] S. Budykhin, engineer-economist, Sverdlovsk—It has been mentioned in the press that several large Leningrad enterprises which are engaged in the production of power engineering equipment are creating an interbranch association. Such production formations were discussed in the Theses of the CPSU Central Committee and the 19th All-Union Party Conference. I would like to know why such a step was needed and what it can be expected to do.

V. Vetlova, Vinnitsa—I have heard that interbranch associations will be organized in Leningrad. I am interested in learning how they will be able to exist without a higher organization. What problems do the initiators of this idea hope to resolve?

A discussion of the rights and opportunities of a socialist concern in power engineering machine building, as questioned by the authors of letters sent into the editorial board, must in all probability commence with an answer to the question: why was this step needed? It was needed mainly for the purpose of concentrating forces and for the efficient coordination of the work of enterprises and

associations engaged in the production of power engineering equipment and subordinate to various ministries. Some of them are today responsible for the production of turbine vanes, others for turbines and still a third group for rotors. But not one of them is responsible for the final product—a complete set of equipment for an electric power station. And it can be stated directly that today its quality as a result is low. The situation is somewhat akin to that described by our satirical writers: a costume is sewn by an entire tailoring establishment, the buttons are securely fastened and yet the costume cannot be worn. A need exists for somebody who will be responsible for the end result. A concern is just such a responsible party.

It is known from our economic experience that large-scale national economic problems arise where branches come together. For it is here that the greatest number of discrepancies occur, as a result of which we sustain tremendous losses. The initiators of the proposed organizational solution believe that it will aid in eliminating these costly discrepancies.

What is an inter-departmental association? What are its rights and possibilities?

A concern has legal rights and consists of production and scientific enterprises, associations and organizations which will work independently and implement technical-economic and social policies within the framework of a complex. Entry into a concern (and departure from it) is on a voluntary basis and involves consent of the labor collectives. Naturally, such a desire must be based upon complete openness and proper informing of the workers regarding all of the "pluses" and "minuses" associated with entry into a concern. Enterprises and organizations which enter a concern retain fully their rights as a legal entity and can handle independently all of the property belonging to them.

A concern will be administered by a council of directors consisting of the leaders of enterprises, associations and organizations. The council structure may also include elected representatives of the labor collectives and party and social organizations. The council is the highest organ. Current operations are carried out by the concern's administration, which is elected by the council. It is our opinion that the position of administration chairman should ideally be approved by the government.

Naturally, the readers will have one question: to whom will a concern be subordinate? What thoughts prompted the initiators in creating it. The state retains ownership of the means of production of a socialist concern in view of the fact that an interbranch association cannot be separated apart even theoretically from the state or its goals and interests.

With regard to justice, it exists in the form of economic levers. The efforts of a concern in connection with the creation of equipment needed for the country's national

economy can and must be directed through the system of state orders. Thus it will by no means be a foreign element but rather a component part of a unified economic mechanism of the state, but a part which issues finished final products and is responsible for its quality.

The operational activity of an administration is carried out through interim committees and commissions formed from workers attached to subunits included in a concern. The work of the committees and commissions is carried out by skilled specialists, scientists and practical workers, all of whom are competent in the problems awaiting solutions. The salaries for technical workers, service personnel and also specialists employed on a temporary basis are paid out of withholdings from the profits of the enterprises, associations and organizations. This must restrain an increase in the size of the administrative staff.

The portfolio of a concern's orders consists of state orders, contracts based upon direct and extended economic relationships and on-time contracts by enterprises and associations.

With the creation of a concern, a need will arise for economic-legal regulation of the relationships existing between its enterprises and ministries. Such legal regulation may take the form of mutually coordinated agreements between a concern's administration and the appropriate departments.

An important aspect is the concern's foreign-economic relationships. Enterprises and associations included in the concern will independently conclude direct contracts with the country's organizations and enterprises—CEMA member states and with the firms of capitalist and developing states. The administration will carry out only the functions of a coordinator, one who will define the chief direction to be pursued in these relationships.

**Problems of Interbranch Associations Discussed**  
18200214b Moscow *EKONOMICHESKAYA GAZETA*  
in Russian No 25, Jun 88 p 15

[Article by A. Aleksandrov: "Our Commentary"]

[Text] Even among the many present day innovations, it is my opinion that interbranch associations should not be overlooked. This is true if only because it represents an attempt to find an optimum form for administering industry, a factor which is of extreme importance given today's conditions. The merging of several large-scale enterprises engaged in the production of power engineering equipment into a so-called concern will make it possible, according to the initiators, to turn over the keys to electric power stations to the operating personnel following inspection and adjustments.



That is, success could be achieved in raising substantially the reliability of the equipment being produced for electric power purposes which, as noted during a conference in the CPSU Central Committee, is still not at the desired level. What is the obstacle at the present time? Departmental barriers, isolated goals and quite often incompatible interests. The initiators of the association have discussed this subject on more than one occasion (including in the press). The path must be cleared of all obstacles.

In emerging from their ministerial subordination, the enterprises of an interbranch association will be forced to rely only upon their own resources. This will force them into reacting more rapidly to various technical innovations, to raise the quality level of their products in a more energetic manner and to make them competitive on the world market. The general director of the Leningrad Metal Plant Association sees the following "plus": it will be possible to build more and more intensively and to accept a trust on one's balance (here the intent is clearly Trust No. 35 "Izhorstroy"). Viktor Stepanovich stated that the structure of a large interbranch association could include an unprofitable enterprise if a need exists for its products. Profitable enterprises not only support those which have fallen behind, using their own monetary funds, but in addition they furnish assistance in raising the profitability of production.

The general director of the Leningrad Turbine Blade Plant Association, Yu. Ustkachintsev, touched upon another aspect of the problem during our discussion. It is his belief that there is only one possibility for single-nomenclature enterprises to feel confident under the conditions imposed by complete cost accounting and self-financing—to merge with their principal partners. Only then will there be no dependence upon demand fluctuations for "one's" products or a need for coordinating the development of production with the future assortment for the consumer.

The party I spoke with had more to say regarding this subject. In attempting to create an interbranch association, no thought was given to a monopoly in the production of power equipment. The following thought was expressed: consideration must be given to the creation, together with the Leningrad association, of another interbranch association based upon "Atommash" and

the "Kharkov Turbine Plant." Wonderful conditions have been developed for healthy competition, based upon which power engineering could only prosper.

Readers may very well ask the question: should one join a concern given the new conditions of management and all of its present day shortcomings? Will it survive despite the deficit in logistical resources and the undeveloped market? In a plan drawn up by Yu. Aristakov, everything would appear to be proceeding well and yet this is only a plan. Many different situations are encountered in actual practice.

A concern is capable, without any assistance from above, of assembling a portfolio of orders. In the process, it will reject that which is unprofitable or unreliable. But are there many reliable orders today, orders for which all of the requirements have been met? There are some which must be undertaken against one's will—orders for which the required raw materials and other materials are not available.

Those who initiated the creation of an interdepartmental association informed me that in the event the required resources are not available in full volume for a state order, the resulting losses must be reimbursed. Yes, they have such a right and yet the question remains as to whether or not they will succeed in using it. Neither USSR Gosplan nor the ministries and departments today possess the financial resources needed for paying off the partners as a result of irresponsibility. Such truth must be seen.

Many other similar deficiencies and shortcomings have been noted. How can this be? It is believed that all factors must be taken into account in advance, even when preparing for and carrying out an experiment. In particular, thought must be given to true mutual responsibility in the relationships between a concern and an organization that has delivered an order to it. Not for the purpose of creating pleasant conditions for the interdepartmental association, but rather for the purpose of checking the vitality of the new administrative model, in the absence of artificially created obstacles. Only then will it be possible to state with confidence whether or not it is suitable. And the answer to this question is of great importance today.

## AGRO-ECONOMICS, POLICY, ORGANIZATION

### Self-Financing Problems in Turgay Oblast Discussed

18240111 Alma-Ata PARTIYNAYA ZHIZN  
KAZAKHSTANA in Russian No 6, Jun 88 pp 73-78

[Interview with M.I. Keldibekov, director, Turgay Oblast Agricultural Experimental Station, by V. Gryaznov, correspondent: under "The Agro-Industrial Complex Must Undergo Intensive Development" rubric: "The Goal Is Self-Financing"; date and place not given; first paragraph is PARTIYNAYA ZHIZN KAZAKHSTANA introduction]

[Text] The new methods of economic management are being implemented more and more firmly. Nowadays not only hundreds of industrial enterprises, but also all sovkhozes and kolkhozes in East Kazakhstan, Kustanay, and Chimkent oblasts are operating on the principles of self-support and self-financing. At the same time an active search for new variants of an organic merger of the new forms of production management and local conditions is likewise being carried out in other regions of this republic. The necessary experience is being accumulated, in particular, by the Turgay Oblast Agricultural Experimental Station, which has already been operating on a self-financing basis for a year. What kinds of problems has this collective had to come to grips with? This is the subject of our correspondent's interview with the station's director, M.I. KELDIBEKOV.

[Question] Mereke Ilyasovich, after operating under the new conditions of economic management, you can already determine their pluses and minuses. Wherein lies the principal difficulty in making the transition to self-financing?

[Answer] The term "self-financing" must be used in conjunction with the term "self-support." Sometimes they are even confused, although each of them has its own, strictly defined meaning. So, for example, in order for an enterprise to become self-supporting, it needs to attain a specific level of production efficiency and resource utilization. But it is impossible to increase these indicators without a multi-faceted development of cost-accounting relations and the introduction of contracts, without improving the interconnections among the financial, departmental, and credit systems. This is the main thing in the radical reform of administering the economy. And we, in getting ready to make the transition to self-financing, have taken into account the level of our production facility's self-support, as well as the condition of its economy.

This experimental station has been operating at a profit for many years now, and it has attained quite a high level of intensification. We obtain 3,400 kilograms of milk from each grazing cow; the average daily weight increase of our cattle amounts to 579 grams, while for pigs it

comes to 343 grams; the grain-crop yield has been brought up to 19.6 quintals per hectare, while that of vegetables has reached 403 quintals. These are fine indicators. Computed on the basis of an average, year-round agricultural worker's output, the gross product amounts to 12,000 rubles. Moreover, labor productivity is increasing more rapidly than wages. Throughout all the years of its existence this experimental station has not once been in debt to the state. To be sure, we use short-term credits from Gosbank, but we always return them on schedule. And so, during the course of the 11th Five-Year Plan there was no such item as payments for loans in our expenditures. The farm receives annual profits of approximately 2 million rubles.

In other words, the points of departure for introducing the new forms of management at this experimental station were favorable. Nevertheless, before making the transition to self-financing we conducted a more profound analysis of the state of the economy. The task consisted of precisely defining for ourselves, so to speak, our short-term and long-term goals. By short-term goals we understand ensuring our self-support. Without dwelling on specific figures, let me just note that this concept includes not merely reimbursing the income spent in producing our commodity output. Self-support must also provide for expenditures on social and cultural measures, payments to the budget, making up for various kinds of losses, paying out bonuses, etc. Therefore, with self-support production profitability must be at least 18-20 percent, and with full self-financing it must amount to 32-35 percent. These tasks were widely discussed; the communists, section leaders, and specialists concentrated their attention on bringing them to the awareness of each grain-grower, livestock-raising, and builder.

[Question] Already during the past five-year plan this experimental station attained a profitability level of 50 percent, and during 1986 it was more than 48 percent. Does that mean that the necessary prerequisites which you mentioned have been created and reinforced?

[Answer] Such a question can be answered satisfactorily in the affirmative. But that does not mean that the prerequisites, even though strongly established, have begun to function automatically. With self-financing we need complete, all-encompassing cost-accounting in each production section. And it must be said that purely internally, psychologically, we have not yet arrived at complete cost-accounting. The conditions for making the transition to self-financing existed on this farm as far back as five or six years ago. But it has only been in the last two or three years that we have carried out any persistent work along these lines. At present all the field-crop cultivation brigades and many units in livestock raising have been converted to cost-accounting. But here we have encountered a problem—how should the motor-vehicle garage, for example, be converted to cost accounting? On the other hand, the existing forms of

computations, including reciprocal ones between subdivisions, have remained unimproved. Furthermore, the level of economic education among workers and middle-level specialists does not measure up to present-day requirements. Of course, we have organized personnel training, and it must be said that it is being carried out quite effectively.

But let me cite another example. We need a tractor in order to provide services for the livestock-raisers. And we've ordered one. The tractor-operator is motivated to earn a bit more from the livestock-raiser for his work. But the livestock-raiser will pay only for the amount of work which has been completed. Is that fair? Of course. However, the tractor is not guaranteed to be fully engaged in work, and so its effectiveness is reduced. And this entails a decrease in the return on investment. What can be done?

I could cite other, analogous examples. *Ipsa facto*, we must improve the forms of reciprocal accounts, seek out and find new economic levers. But here too not everything is so simple. It seems to me that the collective and lease-type of contracts which we've begun to introduce constitute transitional forms of production organization. They should be adopted at a certain stage of our development. Subsequently, however, it's obvious that we will have to switch over to the general-type contract, since even now using the existing forms has revealed certain contradictions and negative features.

**[Question] Just what do the latter consist of?**

**[Answer]** First of all, the collective-type contract, of course, does help to strengthen collective principles in production. And on this level it plays a progressive role. But, at the same time, it also divides people up, since each of them begins to "root" just for his own section, for his own collective. However, we need to have a situation whereby the over-all, common interests are placed above group-type, factional ones. For the time being, we are trying to resolve this contradiction by methods of political-educational work. There are no economic levers for managing such a process. Consequently, we must seek them out.

On the other hand, we cannot ignore a person's individual traits or the high professionalism of certain individuals. For example, we have a milkmaid named G.M. Timofeyeva. She is an expert at her work and has been awarded Orders of Labor Glory, Third and Second Class. It so happens that Galina Mikhaylovna was the initiator in introducing the collective-type contract at the farm. Her units works successfully, but her own work as the foreman has been "diluted" in the common efforts. Although it may seem immodest, she would like to receive an Order, First Class. But whether she will remains problematical, since the results of the collective's work as a whole are somewhat lower than her own individual results.

Or take another example. In one of our units two milkmaids are working who used to obtain more than 4,000 kilograms of milk per grazing cow. Now the unit as a whole produces 3,800 kilograms per cow. But the oblast reister of leading workers is headed by a milkmaid who gets about 4,000 kilograms. Moreover, she works at a farm where the average milk yield does not exceed 2,000. Under the conditions of socialist competition which prevail within our farm we provide for a system of incentive measures based specifically on the collective work result, whereas on the scales of the rayon and oblast, the individual indicator is taken into account, as was previously the case.

**[Question] Hence, must we not conclude that conversion to the new forms of labor organization and administrative methods need to be carried out simultaneously throughout an entire region?**

**[Answer]** Obviously that's not all there is to it. Discussion of the collective-type contract did not begin just yesterday. However, most institutions and departments, beginning with the central ones, are not yet ready to implement these forms of labor organization. Even the VDNKh [Exhibition of USSR National Economic Achievements], which is supposed to react effectively to changes in practical life, has remained behind in these matters. They insisted that we send one, I repeat, one milkmaid to the VDNKh. But this farm has functioning teams consisting of four persons. In order not to lose the award we deserved, we selected a worthy person. Unfortunately, this introduced dissension in the interrelations among the unit's members. Now it is proposed that we select a candidate to compete for the State Prize. But here again, there's just one candidacy, while we have collectives.

I've cited these examples because the old approaches to providing incentives for highly productive work have exerted the most direct influence on the economy and on the entire system of the new economic-management methods. Last year we introduced wages based on gross income. As you know, this is an irreversible mechanism. Here the principle is based on providing incentives not only for crash-type work, but also for a conservationist, economical attitude. Consequently, payments for intermediate results ought to be minimal. However, this does not conform at all to the practice of summing up the results of socialist competition in our rayon and oblast, and we do not have the right to refuse to participate in it. On the other hand, the following question arises: How can we be fair to the leading workers at the intermediate stages?

**[Question] Mereke Ilyasovich, we have, perhaps, wandered somewhat from the topic of our conversation. After all, it's probably true that difficulties arise not merely in summing up the results of the competition. Is that not so?**



[Answer] A great deal of attention had to be paid to this because we were talking about activating the human factor. And it's our everyday task to solve the entire range of problems affecting a person, his attitudes and his wishes to work in a highly productive manner. In making the transition to self-financing, however, many other questions have also arisen. In the forefront I would put the difficulties in obtaining electric-power capacities. This is an enormous item of expenditures. Every year we spend 400-450,000 rubles to purchase equipment and other resources. But there are no firm or stable assurances that they will be provided. As you know, wholesale trade has not yet been set up or fine-tuned. We submit requisitions for needed vehicles and machinery two years ahead of time, and we barter no more than 10 percent of them. It has also become clear that the supplying of material and technical resources is handled in a crash-type, haphazard way. With such a state of affairs, it is inevitable that various distortions arise. And, everything, as a rule, is in one direction—in order to obtain electric-power capacities, we spend more funds than we intended. We sometimes acquire a surplus. Formerly we needed belt-type seeders. We ordered them, and now more of them have arrived than we require.

Smoothly operating deliveries are very important for an enterprise operating on the principles of self-financing. But here we've retained, as before, the one-time, ad hoc allotment of resources, and somehow it's impossible to regulate this process. Take everything they give you because you won't get any more. This is manifested with particular clarity in the supplying of construction materials. Not even half the need for them is provided. And hence, the attempt to obtain them by any means and in any amount. On our farm, for example, 35,000 rubles worth of roofing iron was purchased last year. During the year's work this much was not required, and if we had been sure that, in case of necessity, this material could have been easily obtained, we would not have had to buy it just for storage. In this way above-norm reserve supplies of resources are created which, when we are operating on the principles of self-financing, merely burden the economy. They begin to appear sometimes even when we are not to blame. Thus, centralized delivery functions within the RAPO [Rayon Agro-Industrial Association] material-and technical-supply system. At one time this form of servicing agricultural enterprises was considered to be progressive. But nowadays its negative aspects are beginning to manifest themselves more and more. One of them is the mandatory non-liquidity of shipping in motor vehicles and machinery which the farm really does need. By thus selling parts which nobody needs, the material and technical supply organs correct their own economic position. But our economy suffers because of this.

It should be noted that around the agricultural enterprises a network of organizations has been created and is functioning which obtain payments from us merely by virtue of the fact that they exist. Of course, we conclude

contract agreements with them, but these are compulsory and hence conditional documents. After they are signed, a certain sum of "payments for services" is immediately taken from the farm; the gist of these agreements consists solely in the fact that such organizations have concentrated all the material and technical resources in their own hands. Let's say, for example, that for the operation of water pipelines we immediately transfer 9,000 rubles to the appropriate organization. But if we needed to replace a certain pump, we would have to pay amounts separately and for all the elements involved. The motor-vehicle transport enterprise takes payment only for what the truck-drivers are permitted to stop off for on their unloading area.

We have not yet eradicated the practice of harsh pressure on the farm from above. Already this year, upon an order from the oblast-level agro-industrial committee we sent off to the Ukraine two railroad cars of grain fodder in exchange for canned vegetables. Our station's collective obtained nothing from this operation. And, of course, such features, which are economically unjustified, should be excluded for the practical experience of administration. We've not become the masters of our own profits. Out of the 2 million rubles at the farm's disposal, there remains only about half.

[Question] But it must have strict norms still in operation and still at its disposal. How do matters stand with regard to working them out?

[Answer] It was proposed that we determine our own norms. We took all the materials for the last five years and derived the coefficients. A parallel operation was also carried out in the oblast-level agroprom. The difference in the final conclusions turned out to be extremely substantial and not to our advantage. It's evident that norms need to be drawn up by rayons or a group of farms, or even for each farm individually. But there are still no precise ideas on this matter, since things are not yet clear with regard to the amounts of deductions. Formulation of the reserve fund, for example, has been defined so murkily that, to this very day, we don't know what contribution we will be making to it. The amounts of the deductions for the use of resources have not been determined, and a number of other problems have not been solved.

I'd like to emphasize the following idea. It is now necessary that managers and specialists at all administrative levels understand the following: to learn independence means to let people function independently. Under the conditions of operating on the principles of self-financing, this is particularly important. It must not be considered that all the recommendations coming from above have already been fully approved and merely need to be carried out unquestionably. We must examine the possibilities of deviating from them and seeking out

new solutions. And if these "peculiar" ideas turn out to be erroneous, then we must correct the initiators, rather than ascribing the value of absolute truth to directives handed down from above.

[Question] In this connection, Mereke Ilyasovich, the following question arises. There are quite a few valuable scientific developments in agricultural production; in a number of regions interesting experience has been accumulated regarding production intensification. But all these innovations are very poorly disseminated. Certain economic managers consider that we need a special service to introduce everything progressive.

[Answer] I think that such a posing of the problem is utterly incorrect. Each farm has chief specialists by sectors. They are production technologists. And nowadays their service duty is to keep track of technological innovations, to "measure" them against local conditions. And when complete cost accounting goes into effect, this will probably become their only task. Why then should we have some kind of additional service?

[Question] You pointed to a whole range of serious problems arising when the administrative reform is carried out. But what role do you see for the party organs to play in this process?

[Answer] In our country perestroika was begun and is being conducted under the leadership of the Communist Party. The 27th CPSU Congress and ensuing Central Committee Plenums have outlined the tasks of the party organs at all levels and indicated the basic directions of their activities. But life frequently presents such situations in which the solution of certain problems of local importance depend directly upon higher-ranking state authorities. Nowadays this is attested to by the numerous publications in the press which mention that ministries and departments are acting counter to the demands of perestroika and undermining the independence of labor collectives. Moreover, the pressure "from above," although it has weakened, still does remain. Here too we need to seek out new approaches to enhance the effectiveness of political leadership. This will obviously be a subject for discussion at the 19th All-Union Party Conference. The latter must provide the answers to many questions, including those as to how the party organs will subsequently carry out their own coordinating roles.

[Question] One more question. At the beginning of our conversation you emphasized that the farm has organized personnel training and that it is being conducted quite effectively. Could you possibly talk about this in a bit more detail?

[Answer] In making the transition to self-financing, we must teach people to think in the new way and inculcate them with economic thinking. This is becoming the principal task of the party organization. In preparing for this transition, the experimental station's party committee has correctly assessed the situation which has been

created within the collective and come out with an initiative which has been approved in the rayon-level party committee. What is the gist of it?

As you know, the labor collectives have three types of training—political, economic, and vocational. But since 1986 our farm has organized the operation of an experimental complex of schools in which all three types are combined. It is based on the principle of "Work together—Study together." These schools have an enrollment of 224 members of the production collectives from field-crop cultivation and livestock-raising, headed by brigade-leaders and section-chiefs. They include 71 communists and 28 Komsomol members. Classes are conducted every week for two hours. The schedule is drawn up in such a way that one hour is devoted to political or economic training, while the other is given over to vocational training. Every two or three weeks seminars are provided for in the political and economic courses. What does such a form of training furnish?

Though unified in its contents, the school has many fields of specialization, and this enhances the students' interests in the classes. Simultaneously with the decisions of the 27th CPSU Congress and other very important party documents and government documents, the students here also study the advanced experience of the comrades working alongside them. Thus, the livestock-raisers examine in detail the experience accumulated by the milkmaids in the brigades of I.A. Tsitser and F.A. Kodints, which have achieved the highest results in the rayon. The field-crop cultivators have been mastering the operating conditions on a collective-type contract, using complete crop rotation. In the classes both the farm workers and the machine-operators have exhibited a high degree of activity; they have tried to penetrate more deeply and more specifically into the topics being studied. All this has certainly been reflected in the organization and observance of labor and technological discipline. It was not by accident that this station's collective successfully coped with the past, very difficult harvest. As already noted, 19.6 quintals of grain was obtained per hectare, which is 4.5 quintals more than in 1986. Results on the livestock farms also increased.

The school training in political, economic, and vocational subjects not only furnishes machine-operators and livestock-raisers with profound occupational skills, but also teaches them how to utilize them in practical life, assists in the growth of initiative and practical activity among personnel. This was confirmed by the examinations at the end of the school year. Out of 200 students, four upgraded their categories, 155 confirmed theirs, 9 livestock-farm employees were awarded the title "Master of Livestock Raising." First and Second Class, and 21 persons were thanked in an order concerning their good study. Among the students there were also those who had a negligent attitude toward their classes. Because of their low grades, 11 workers were deprived of a certain percentage of their wages in the 13th category. To the question posed to them on this matter in a special

questionnaire, 130 persons assessed the level of the classes in the schools as "Good" or "Excellent," while 50 rated them as "Satisfactory."

But all this merely comprises the first few steps, and we must do a great deal more work in order to attain the assigned goal. And when we eliminate all the existing shortcomings and the contradictions, we will attain the improvement of cost accounting in production relations, and then we'll be able to say: We have really arrived at self-financing.

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## TILLING, CROPPING TECHNOLOGY

### Scientific Support for Increased Crop Production in Nonchernozem Zone

18240091 Moscow SELSKAYA ZHIZN in Russian 13 Apr 88 p 2

[Article by V. Mineyev, chairman of the Presidium of the VASKhNIL [All-Union Academy of Agricultural Sciences imeni V. I. Lenin] Department for the RSFSR Nonchernozem Zone: "Potential of the Nonchernozem Zone"]

[Text] Party and state concern for the development of the Russian non-hermnozem zone, for an advance of this vast region, and for its overall outfitting in all respects is well known. As a consequence, the production and economic potential is being accumulated and the capital available per rural worker now totals almost 17,000 rubles. This is twice as much as 10 years ago. Central homesteads of many farms and brigade settlements have become more attractive and revitalized and the local population, which at one time left its homes of many years, has begun to return to them. Nevertheless, the hearts of the Soviet people, as before, bleed for the nonchernozem zone.

This bitter reproach is also addressed to VASKhNIL scientists. First of all, we lag behind the demands of restructuring in the chief thing—in the development of specific differentiated ways and methods of increasing the efficiency of farming with due regard for the characteristics of every farm, specialization of crop rotation, and field cultivation and fertility. Scientific recommendations as yet do not reach every rural worker.

Selection work needs to be improved fundamentally. Grain crop varieties developed by scientists and introduced are noted for a late ripening, are damaged by pests and diseases, and lodge against a high fertilizer background. The selection of early ripening potato varieties is carried out poorly. Work on developing varieties of perennial, especially leguminous, grass with an increased seed productivity is expanding in an inadmissibly slow manner. If farms in the nonchernozem zone are not provided with clover seeds in the next 2 or 3 years, it will be impossible to master scientific farming systems and to

sharply raise the productivity of plant growing and animal husbandry. Apparently, it is necessary to speed up the development of "klever" [clover] scientific production systems everywhere.

The most urgent economic problems, that is, an improvement in cost-accounting relations of sovkhozes and kolkhozes in the system of the agro-industrial complex and an evaluation of the efficient utilization of the production potential and social development of rural areas, are being solved slowly. The list of such shortcomings can be continued and the conclusion can be only one. During the period of reforms science and scientists of different specializations and ranks should become not only generators of advanced ideas, but also active participants in their realization through advanced forms of management—scientific production associations, scientific production systems, production systems, and others.

Over what should our heads "agonize" primarily? For example, over one of the key problems of the scientific farming system—mastering of crop rotations. Whole generations of scientists have been talking about it, but the matter progresses very slowly. To this day, according to statistical data, mastered crop rotations occupy only three-fourths of the arable land and in some oblasts less than one-half. In fact, the situation is worse. And this despite the fact that farms need no expenditures on developing crop rotations. They need only knowledge and a desire! However, directives for changing the structure of sown areas have been given in a number of places up to now, although crop rotation is the foundation and basis for scientific cultivated farming. If there is no crop rotation, there is no elementary order on land!

All other agricultural measures are highly effective if they are applied in crop rotation. In this case the return on fertilizers increases by 20 to 30 percent and more. Without crop rotation it is impossible to apply the integrated plant protection system and the differentiated soil cultivation system, to realize the program for increasing soil fertility, and to obtain the proper return from the introduction of highly productive, new varieties.

Moreover, intensive technologies as the most important link of the scientific farming system will be truly effective if they are applied with a stable crop rotation. Meanwhile, many farms especially select the best fields for intensive technologies to the detriment of basic land areas. This is a faulty practice. In order to get rid of it, it is important to assign crop rotations to collectives working on the basis of a contract everywhere. True masters of fields will never permit disturbances in the crop structure, which occur owing to different, often contradictory, directives from above. Economic forms of incentives for farms, not the administrative strong-willed method, are needed.



More than 120 varieties of different agricultural crops from the selection of the scientific research institutions of our VASKhNIL department have now been regionalized. Many are noted for a high resistance to lodging and their yield reaches 80 quintals per hectare. They include "voskhod 2" winter rye, "luch" barley, and "moskovskaya 35" spring wheat. A high productivity—up to 600 quintals per hectare—is characteristic of "gatchinskiy" and "nevskiy" potato varieties. The new "izora" variety is promising. Nevertheless, the average yield of grain and potatoes is severalfold lower. What is the point here? The point is that there are flaws in seed growing.

As is well known, elite producing farms in the zone annually deliver 120,000 to 130,000 tons of grain of the highest reproductions and produce more than 200,000 tons of the same potatoes. With the proper reproduction these seeds are more than sufficient to fully provide all commodity areas in the zone. In practice, nonregionalized varieties and even nonvarietal crops occupy about one-fifth of the total area of grain crops on farms. For potatoes this share makes up one-third of all the plantings. The main reason lies in the fact that seeds of the highest reproductions are often used for food purposes, not for reproduction, and the zone annually receives up to 600,000 tons of grain and 800,000 tons of tubers less than envisaged.

The scientific farming system envisages an expanded reproduction of land fertility on every farm. This is attained primarily through the liming of acid soil and the application of organic and mineral fertilizers, soil protection technology, and other agricultural methods. However, liming rates in the zone do not yet meet practical requirements. In order that things may be different, during the 12th Five-Year Plan it is necessary to increase the annual delivery of lime fertilizers to 50 or 60 million tons and to bring the liming area, with due regard for the recommended doses, up to 6 or 7 million hectares. Such a volume will make it possible to change over to the recommended 3-year cycle of maintenance liming. Now, however, only one-half of the zone's need for lime is met. Furthermore, lime materials themselves are often applied to soil without due regard for scientific requirements. Deposits of loose carbonate rocks, which can be mined by the forces of oblast and republic agroproms, are of significant interest for making up for the shortage. Considerable reserves of such raw materials exist in Volgo-Vyatka and Ural regions.

A direct relationship between the standard of farming and the attitude toward organic fertilizers exists. The zone's farmers face the task of sharply increasing their application—from 180 to 300 or 320 million tons. It is important to utilize all available methods and sources of replenishing soil with the organic substance. First of all, this is an expansion of areas sown with leguminous grass or grass mixtures with the predominance of the leguminous component in crop rotations, the sowing of alternate, especially leguminous, crops for green fertilizer, plowing in soil surplus straw with an addition of nitrogen fertilizers, and replacement of clean fallow with green fallow, especially on light weakly cultivated soil. Other resources can also be utilized.

Of course, the application of organic fertilizers will give a genuine effect only in combination with all other methods of scientific farming systems. I repeat, they have been developed essentially for every farm in the zone. Unfortunately, their mastering is still in the nature of recommendation. The scientific farming system should be legalized for every farm. It should become the basis for the development of annual and long-term plans, which is especially important under the new conditions of economic independence and self-support. Consequently, more efforts and responsibility on the part of farm managers and specialists and scientific workers are needed.

In connection with this systematic personnel training acquires special importance. We will make experimental-model, base, and advanced farms schools for improving primarily the skills of those working directly on land and on the farm and those fulfilling the Food Program.

Such research as the development of new methods for an expanded reproduction of soil fertility and the further improvement in all links of the scientific farm management system and in advanced technologies of agricultural crop cultivation now acquires special significance for the further increase in the efficiency of farming on the farms of this zone. Of course, with due regard for the solution of ecological problems of farming chemicalization, protection of the environment against pollution, and improvement in the quality of agricultural products.

The overall approach is the most important direction in scientific research and the main potential for the further development of the vast nonchernozem region.

## POLICY, ORGANIZATION

### Deputy Minister Reviews Branch Economic Mechanisms

81442863 Moscow STROITELNAYA GAZETA in Russian 28 Apr 88 p 1

[Interview with Nikolay Ivanovich Svistunov, USSR Deputy Minister for Construction in the Northern and Western Regions of the USSR, by S. Sinyutina: "Rhythm and Self-Sufficiency"]

[Text] USSR Gosplan reports:

In the first quarter of the year, 12.9 million square meters of total housing space—14 percent of the year's program—were turned over for operation through state centralized capital investment and resources of the enterprises' funds.

The introduction of housing increased by 5 percent over the corresponding period of last year.

The plan for the country as a whole was overfulfilled. All the Union republics except the Moldavian SSR met their goals.

USSR Deputy Minister of Construction in the Northern and Western Regions of the USSR N. Svistunov answers the newspaper interviewer's questions.

[Question] Each builder knows that rhythm is on everyone's mind. In the final analysis, it predetermines successful fulfillment of the annual program for housing quality, labor productivity and the wage fund. At the same time, the builders know something else full well: smoothing out the pace of turning jobs over is achieved at the cost of colossal efforts. And Minsevpapstroy [Ministry of Construction in the Northern and Central Regions of the USSR] does this work extremely purposefully, and, in so doing, builds up greatly the amounts of housing erected. In the first quarter 18 percent of the year's volume was introduced. Growth over the corresponding period of last year reached 102.6 percent. But in this case it still must be considered that last year 821,000 more square meters of housing were built than in the preceding year—7.4 million. Growth was almost 15 percent. Introduced above the plan were 300,000 square meters of total space. And what is just as important, in this case a carryover of uncompleted work had not been "eaten up"—it was somewhat above the standard—31 percent. This enables optimistic forecasts to be made for the near term. How do you consider, Nikolay Ivanovich, it possible to connect these results with the new management methods? Just which economic levers are yielding this benefit?

[Answer] By the middle of last year all our construction organizations had transferred to full economic accountability and self-financing, and by the end of the year all the construction-industry enterprises will. Nor did the new management mechanism leave out the equipment

operators, transport workers, and those who serve the housing builders. Together with the installers, they now work on a single order. The truck drivers' share in the bonuses for carrying out supporting tasks by hauling constructional structure is as much as 60 percent, for instance. The incentive is not small! And the construction-industry enterprises have been oriented to the final product—the turnkey turnover of facilities: what they get depends not on the cubic meter but on sets of articles necessary for installation.

Improvement of the administrative structure, the abolition of extraneous elements, and the creation of design and construction organizations have been yielding great benefit. There have been fewer coordinations, more business done. The increase of labor productivity in housing construction has helped to promote the introduction of new wage rates and salaries and a progressive system of material incentives.

[Question] But many of the progressive forms for organizing production have been well known to advanced collectives. Are we not in this case passing off as new that which has been used for many years?

[Answer] That is correct. There was a labor-participation factor, the crane operators and drivers were part of the installing brigades, complete sets of articles were manufactured by stage, and flowline-operating group schedules were developed. But all these elements of progressive work organization existed seemingly in and of themselves, their introduction depending upon the initiative of various brigades. While under economic accountability and under the collective contract, one simply cannot operate without including all these levers. They have become a component part of the new management mechanism, which is aimed at achieving high final outcomes at least cost. The financing plan now is not "released" from the top but is calculated. The greater the profit the better the whole production collective lives.

[Question] You mentioned in passing the elimination of unprofitable enterprises. As I understand it, we are talking not about an extreme measure, about the elimination of enterprises themselves, but about unprofitability, about improving their economic health?

[Answer] I have in mind measures that will help to reanimate enterprises which have not begun to manage diligently. The ministry's workers have gone out to such enterprises. It should be noted that we have achieved good results. Of 35 organizations which have not for many years made ends meet, only two are left. But under the terms of action of the new management mechanism, we cannot be reconciled with the fact that even one of our enterprises remains unprofitable.

[Question] Can the impression be created that it is not so complicated to set the situation aright at unprofitable enterprises? It remains for the comrades from the ministry to arrive, give some kind of order, and while you watch the matter goes uphill. It is true that it was not quite like that?

[Answer] Of course not everything has been simple. The Nelidovo Construction and Installing Administration of Kalininstroy [Kalinin Construction Trust], together with SMU [construction and installing administration] workers, made a thorough analysis of this organization's activity, found weak spots and planned measures for increasing profitability. What specifically was proposed? Let us say that it was decided to remove the production base from the administration's books. Its staff was not cheap to maintain, and we received no return from it. Its equipment was idle, and reinforced concrete structure had to be brought in from Kalinin. The low-capacity administration, whose engineering and technicians staff numbered about a dozen personnel, practically made no use of this base. Now it has been transferred to the ZhBI [reinforced-concrete articles] plant of Kalininstroyindustriya [Kalinin Construction-Industry Trust]. It turned out that everyone won here.

[Question] In regard to the administration of labor and wages, they gave me, in particular, these indicators: labor productivity last year rose by 9.8 percent, wages by 6.5 percent. And in the first quarter of this year labor productivity rose still more—by 12 percent. It is admitted, I am recording such indicators for the first time. I have been told of several organizations which previously lagged but now have joined the ranks of the advanced organizations: the Usinskstroy Design and Construction Association of the Komi ASSR, the Pskovskoye Large-Panel Housing Construction Association, and Trust No 3 of Glavarkhangel'skstroy [Main Administration for Construction in Arkhangelsk]. But at the same time, there are still many organizations which even last year worked with colossal strain and began the first quarter poorly. These include construction workers of Tula, Kirov and Gorkiy. But indeed, it would seem that the conditions are about identical for them and for the others. What is the reason for the lag?

[Answer] First of all I would note the organizational-planning confusion which made itself manifest most at the start of the year. It was the late determination of the construction program mission, a lack of clarity with

contract participants, and an orientation to an understated plan. There is more. The poor condition of the production base and worn equipment, which, moreover, is operated poorly. A low level of qualification of engineers and technicians, and poor work discipline at the construction projects. All these factors are, as a rule, mutually related. It is said, not without cause: misfortune does not come in ones....

[Question] Smooth planning for erecting housing by the quarter has been talked about for decades. But there have been no radical advances. These questions seem to me to be completely consistent: to what extent does economic accountability work to smooth out the rhythm of the housing-construction assembly line, and does the organizations' profit depend upon regularity in the introduction of housing?

[Answer] There are elements of such a dependence. For example, payment for a complete set of items at KPD [large-panel housing-construction] enterprises. In essence, this is a forced rhythm. Such a connection can also be traced through the forming of profit, which depends upon the amounts of construction and installing work and fulfillment of the plan for putting jobs into operation. But, most likely, not all the potential that the standard planning gives is used completely.

[Question] I frankly acknowledge that much of this was unexpected for me. Instead of the usual complaints about poor support with materials and about factors which do not depend upon the builders, it has been objective, I would say, an optimal analysis of those possibilities which are being opened up under the new management mechanism....

[Answer] You have noticed correctly: the ministry's work style is being changed. Bureaucratic, command-type administrative methods of supervision are being overcome. The ministry is becoming a sort of organ of the branch that is aimed at introducing all that is new and advanced. Our entire management staff (incidentally, it has been reduced by almost half) is incessantly in motion. Working groups that go out to the enterprises, where success of the mission is determined and where problems of economic restructuring and technical updating of the branch are being resolved, are being created.



## POLICY, ORGANIZATION

### Publicist Nuykin Faults Arguments for Price Hikes on Essential Goods

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[Article by Andrey Nuykin: "Concerning the Price of a Word and the Prices of Products"; first paragraph is OGONEK introduction]

[Text] Quite a few articles on the coming price reform have appeared during recent months in the central press, including OGONEK. The conditions of widespread glasnost, which have been confirmed in the country, are providing an opportunity to everyone—the scholar economist and the housewife—to express themselves openly on a problem that affects literally all of our fellow citizens. The controversy, which has unfolded, will undoubtedly help in time to determine with the utmost thought the optimum version for the balance prices of industrial goods and food. In letting the well known publicist, A. Nuykin, have the floor during the discussion, the editors invite readers to continue the conversation.

#### "Normalization" or a Price Rise?

Financial department officials and some economists have recently spared no efforts in gradually training us to think about the inevitability of a significant increase in prices for basic necessities. The persistence, with which they are showing how high prices are better than low ones, cannot fail to delight, however, I would really like to see a little more respect for logic in the development of a subject that is so directly connected with numbers. And not for some refined—dialectical—logic but for very commonplace logic—formal, scholastic, if you wish.

The following oddity, for example, is encountered in their arguments. All articles and presentations talk about "price reform," "the normalization of prices," "the elimination of disproportions and mismatches in prices," "the development of strict scientific price-formation criteria," etc. This is at the headline and slogan level. However, as soon as the affair comes to real examples and practical suggestions, everything is immediately reduced to a single verb—"raise!"

We are a hardy people and we have never made excessive demands of life; and we have always had extremely few justifications for considering ourselves to be Croesuses and—even more—the pets of the Ministry of Finance. Suddenly to our astonishment, we have begun to learn that we have a mass of unearned income and that the state is simply tired of engaging in philanthropy in its treatment of us. We have learned that the stores are selling us products at "impermissibly low" prices, that our rent is "purely symbolic," that the state is paying for our medicine from its pocket, that they are selling our fuel oil for "lower than production costs," that they are "allocating" raw material almost as a gift....

True, goods are encountered for which we are supposed to overpay; however, these are not, as they clearly explain to us, basic necessities. This means that ordinary people have absolutely no interest in them: cars, dachas, coffee, caviar, balyk, smoked foods, fine furniture, perfume, fashionable foreign items, electronics, and high quality goods in general. With regard to these "luxury items," the economists also convincingly explain why the reform must not make them more accessible and how it would be bad for ordinary people if these goods should suddenly become cheaper. However, it will be quite bad for us, it seems, if prices for other goods are not raised. The main thing, they tell us, is that social justice can be irreparably shaken by this failure to increase prices. Judge for yourselves—are well-off people now eating more meat? More! After prices are raised, who will eat more of it? True, they will. Perhaps they will suffer more from the reform than will those less well off for whom the sense of social malicious joy compensates a little for the inevitable further decrease in the consumption of meat in their ration.

The fighters for social justice have already roughed out the sizes of the price increases. Almost all food products are unprofitable, and the retail prices for food products are on the average twofold lower than the expenditures for their production.

This, so to speak, is the immediate and first total increase. Economics, however, is the science of remote targets. Having determined that it is now time for us to "normalize" prices twofold, economists are not at all planning to stop at this.

Academician A. Aganbegyan thinks: "It is advisable to raise prices for fuel and raw material significantly and to take into consideration in them the differential rent which must be collected from an enterprise in the form of payments for natural resources. The scientist has repeatedly complained about the cost mechanism in our economy, which still does not fluctuate with anything and in accordance with which the more raw material and energy a producer throws into his product the more beneficial it is for him (the fulfillment of the plan and the benefits provided by this are still determined in accordance with the total sum of all rubles expended!). Nevertheless, A. Aganbegyan suggests increasing raw material and energy prices sharply in order to begin conserving and saving them. Why will this occur all of a sudden? You see, each additional kilogram and kilowatt hour "thrown" into production will provide the producer even more benefits with increased prices! At the same time, the proposed "leveling" of the disproportions in the area of mining raw materials in a timely fashion is preparing a need for a subsequent price increase in meat and everything else. You do not understand how? No matter. It is time to learn to understand; when prices are raised for transport, fuel, electricity, construction materials, and other items figuratively "somewhere there—far off" in the abstract "national economy," we think that this will only hit us in the pocket rarely—when we

travel once a year to the Black Sea (transport), repair the roof of our dacha (construction materials) or ask our friend to take us to the airport in his Zhiguli (fuel).

An adjuster of automatic lathes in Moscow's First Bearing Plant was perplexed during a discussion with M. S. Gorbachev: "Previously the automatic lathes of the Kiev Automatic Machinetool Plant cost almost fivefold less than now. Their characteristics have remained the same—in power-intensiveness and accuracy. Why did the price change?" From whose pocket are the extra 4,000 out of every 5,000 rubles sailing away to Kiev? From the pocket of the First GPZ [State Bearing Plant]? Not at all. After some trading with the State Committee for Prices, the plant completely apportioned the cost of the machinetool to the price of the bearings. You and I do not put bearings into soup. However, almost everything that we purchase is produced using these bearings, and the above-mentioned 4,000 rubles are apportioned little by little to our purchases at the end point of the price growth chain reaction. State enterprises only forward figures on pieces of paper when a price increase—no matter how unjustified—occurs. For us, these paper interdepartmental games are played with real, hard-earned rubles extracted from our pockets. We always pay for everything in these games to the last kopeck. Only we do not suspect this, at times, in view of the fact that the mechanisms for increasing the cost of living are hidden from our eyes. One should not forget that we do not consider an increase in labor productivity (and it is occurring in some sectors—the scientific technical revolution, you see, is nevertheless outside!), which is not accompanied by an increase in the standard of living, as the state apparatus "nibbling" at us. According to its dimensions, it is much larger than we are capable of imagining. That which is taken away from or given less of to us, unfortunately, does not at all go to increasing the might of the state—as naive people think—but to covering mediocrity in the leadership of the national economy, on the one hand, and to making up embezzled billions (let us recall Uzbekistan), on the other hand.

However, we have been somewhat distracted from A. Aganbegyan's suggestions. Raw materials, transport and energy are even more universal components in the price-formation chain than bearings. By raising the prices and rates for these types of products, the state immediately raises the price of everything since the production costs of that, which is connected with construction, transport, raw materials, and energy (what is not connected with them?), are raised immediately. Thus, sooner or later we will pay enterprises all of these sums either in the form of "completely justified" soaring prices or in the form of frozen wages. Thus, by "significantly increasing the price of raw materials and energy", we are already making the planned price increase for products insufficient (you see, raw materials and energy are also spent on their production!). On the other hand, however, by raising the prices for food products and basic necessities, we will be forced a little bit later to provide a subsistence wage one day to those who mine

raw materials and fuel. It will be necessary to raise their wages, and this will immediately increase the production costs for both raw materials and fuel. As a result, the planned increase in them may also be insufficient.

However, complicated logical calculations are not required to understand that some people are now attempting to cover the very commonplace price inflation and the shifting of the consequences of the poor management of the economy during the period of stagnation to the shoulders of the workers with the white clothing of "a radical normalizing reform".

#### "They Have Begun To Live Too Well!"

Until very recent times, our need to increase prices was motivated by the fact that the population's income had grown too much and prices had remained practically unchanged. You simply melt with black envy for the very average statistical "inhabitant." His real income grows as if it were made with yeast, he bathes in diamonds, and his pay has increased 5.5-fold. From 1953 to March 1988, I have received 10 types of pay and not once have I received a ruble for an "increase in wages." In 1953, I would have received—no matter where I was—equally as much! But the cost of living grew two-threefold at a minimum during that time.

Among some journalists, writers and sociologists, agitation has been observed for a long time over the fact that the allegedly "sharply rising prosperity" of the people, the jump in their "living standards," and the "upward flight of real incomes" have not impaired their moral foundations. It appears that I have simply not grown to the state level of concerns since something else disturbs me more for some reason. For example, the question of how those people, about whom B. Vasilyev wrote his story ("You Are Whose, Old One?"), are contriving to make both ends meet? Since 1 January 1987, we have proudly stated that the amounts of the allowances for invalids with children under 16 have been increased by a whole 50 percent. They are finally beginning to live on their own 30 rubles a month!

Or take a family with many children. Demographers are growing tired of explaining to us amateurs that it is not material factors that are presently restraining family growth but more subtle and more mystical ones. As confirmation, they recall mothers and fathers with few children—they gave them apartments and increased their wages, but it made no difference—they did not give birth. Why those with few children did not give birth, is, of course, interesting but it would be good for the demographers to be astonished at something else—why do those having many children give birth? Again, is the main thing how they will manage to make ends meet? Here are several figures from a letter sent by Tatyana Ivanovna Kiseleva (Novosibirsk Oblast). She has five children (from one to 13 years old). As an engineer, her husband received 180 rubles. "A year ago, he transferred, to the workers and began to receive 260. According to

present arithmetic, I need 526 rubles for the family. If you take into consideration the fact that the children are growing and that items for them are not becoming cheaper, I need even more. Last winter, my daughter wore out boots costing 57 rubles during one season; and this winter—ones costing 60 rubles. And where can one get ordinary pantyhose that will last even a month? Mom, buy kapron ones whose life is a week. How many other items are needed? On children, everything burns as if in a fire. They have now begun to make good quality items not badly. Whereas previously they were passed from generation to generation, now it is good if one child wears them for any length of time...." Tatyana Ivanovna's daughter worked for a school assignment on calculating family expenditures and was taken aback: Dad's wages, it turned out, were hardly enough for food. With such a modest diet!

The economists will start to climb on their usual horse: "We have developed a complete system of measures to help those with many children!"

T. Kiseleva replies: "When I did not have so many children, I truly believed that. However, .... My fifth one is born. You sit at home for a year, receiving 50 rubles a month plus six months without receiving anything—only the one wage of your husband. With five children."

I have already said what this means.

The increase in assistance is really words. When we take it in percentages and abstractly, it does not seem at all bad, generally speaking; however ... "Children in the first and third class in school drink milk," another mother of five children cast light on this abstraction in her letter to PRAVDA. "I pay 50 percent. How does this look? I pay for services and bread like everyone—and not a kopeck less for a glass of milk." Noise, noise in connection with this kopeck! However, we will not confine ourselves to a discussion of those who live below the poverty level; let us look at those who are not complaining since they are living "no worse than others."

A hunter's work is not simply difficult (for example, the Losinoostrovskiy National Park has six hunters on 12,000 hectares of forest!), it is also dangerous. The work occurs frequently during the night and involves chases, close engagements, falling under the ice, etc. They pay him 80 rubles a month. Little? Of course! You see, however, the size of the wage is nothing more than a talking figure as long as we do not divide it by prices. Our economists and financial specialists, who have covered their heads with ashes for many years over the fact that the growth in our wages has outstripped the growth in productivity too much, have forgotten, it seems, how to do this simple unskilled operation. Amateur writers must again take up pencil and paper.

Against the background of this type of "prosperity," they stubbornly contend that we are living too well and that is why it is necessary to raise prices again and again. Before

the age of glasnost, we nodded our heads in agreement. Times, however, have changed. One could probably not now instill in us even under hypnosis the idea that we are living "too well." The bureaucrats, of course, sense this. At least, they are justifying the need for raising prices very ingeniously. Let us throw light on the TRUD article by V. Pavlov, chairman of the USSR State Committee for Prices, entitled "Why Is Price Reform Necessary?"

#### Raising Prices as the Shortest Route to Abundance

This article bribes us with frankness and confidence in evaluating our past and present. Freely relying on figures and facts, the committee chairman literally razes to the ground the narrow conviction that supposedly "it was better under Stalin—they lowered prices from year to year, but now ...."

The author of the article replies that this is an illusion. Our retail prices grew 6.2-fold from 1928 to 1940. In 1947, they grew another threefold on the average as a result of retail price reforms. The wage of workers and employees increased from 33 rubles a month in 1940 to 48 rubles in 1946. And should one forget about the "voluntary forced" loans?.... Prices were lowered. The average man loves to remember this, but at what percentage with a preliminary threefold increase—plus at the expense of complete robbery of the peasants. For example, they purchased wheat from the peasants for a kopeck per kilogram but they sold (flour) at 31 kopecks. They took beef from the village at 23 kopecks and sold it for 1.5 rubles on the average, etc.

The author thinks that one should also not be especially happy today. A total of 50 percent of the budget assets obtained from the turnover tax goes to subsidizing food products—in all, 57 billion rubles! It is not possible to live this way any longer. It is necessary to normalize the economy so that money is not needed for this—"There is nowhere to get it."

The minor notes of the article end with this, and the major key begins, that is, how can there be "nowhere"? An increase—excuse me, "price reform"? And not just any reform but a "radical" one, that is, one which immediately provides a great deal of money to the budget! Oh! We will begin to live as a result! Everything will go swimmingly for us: "The disproportions in the national economy" will disappear; the "forced lowering of the wage, pension and stipend level" will be ended; "wage-leveling" can finally be abandoned; "obstacles to introducing new equipment" will disappear; enterprises, which are working well, can no longer be robbed for the sake of those working abominably; we will stop overstating output norms; the preposterous "mismatches in retail prices" will disappear; and "social justice will rise over our state!..."

V. Pavlov, of course, can be outraged: He has not asserted anything of the kind. Everything that has been listed will not at all occur as a result of raising prices but



as a result of "reforming" them! Of course. Only, you see, his article, which is half a newspaper page in size, does not contain any other practical suggestions (except raising prices) for accumulating assets to normalize the economy. Yes, and it says right out that we should not count on any kind of price decreases for eliminating the disproportions.

"Reform" is an attractive word. Without radical reform in the economic area, we will not be able to hold our ground even at the present level of our dispirited mismanagement. All of us are for reform, only ... why did "price reform" all of a sudden acquire such an independent and separate sound? And what is behind its "general discussion," which they are vaguely promising us, if, it seems, how many balls will be driven into what goals is known even before the players take the field?

However.... Why should we use verbs only in the future tense for such a long time? Did not the saving "price reform" really not begin many years ago? Let us recall coffee which at one time suddenly jumped 4.5-fold in price and was at an inaccessible height that did not at all exceed the ability of Georgian tea to compete with. Yes, this is talking about coffee! In ferrous metallurgy, product prices had to be increased by 7.5 billion rubles three years ago in order to cover increased planning expenditure levels with prices. Seven-eighths of this total in no way depended on a price increase for fuel and energy. Everything was blamed on the incorrect technical policy of the USSR Ministry of Ferrous Metallurgy... the metal became more expensive—what to do? It was necessary to raise prices for the products of a number of machine building branches by several billion rubles.

Do you think that the machine builders bore a grudge? How could it not be so? The output of machine building products expressed monetarily has increased 2.6-fold during the last ten years and expressed in physical terms by 45-50 percent. You see, the upward flight of our production is reckoned in rubles! Imagine how much fame and awards their metallurgist colleagues gave to the machine builders because of their illiteracy in the area of technical policy. This is only a "gift" for them, but we have paid for all of these gifts from our unchanging wages at the final stage of the entire production metamorphosis.

Light industry is also not falling behind in reform inspiration. Last year, the USSR Ministry of Light Industry owed its customers products totaling a billion rubles. The debt rose another 142 million rubles in January of this year.... And again, what a simple way they found in the branch's headquarters: force the enterprises to withdraw inexpensive goods from circulation and increase the plan in retail prices at the expense of expensive items.

Let us go further. From 1970 to 1985, the average price of an automobile increased twofold and for car-care center services—by 60 percent. Beginning in 1979, retail

prices for gasoline were raised fourfold. Postal services have risen in price, and the fee for installing a telephone has jumped from 20 rubles to 100. The price for staying in a hotel has risen by 20-25 percent since 1 July 1987. During the past ten years, the use of automatic check-rooms has begun to cost us 10-fold more. Prices for book products have grown irrepressibly; for construction materials—also; for transport services—also. Inexpensive goods (for children, in perfume shops, etc.) are being "washed" unrestrainably from production. Funerals have simply become more than anyone can afford (up to 1,500 rubles, as readers figure). Since 1 January, the services of the Zarya firm have increased in cost by 50 percent.

This list, of course, is familiar to V. Pavlov better than anyone; there is no end and no brink. Thus, if one proceeds from the conviction that a growth in prices leads to the normalizing of the economy, we would long ago have pinned our hopes on discarding the oxygen bag and begun to run cross-country races. Somehow we are still not running very much. Why, you ask.

Yes, even the threefold increase in prices in 1947 (which, of course, was called a "reform") also did not give birth to a healthy economy. And also—why?"

#### In the Name of "Normalization" or in Place of It?

The further one goes, the more obvious it is that a price increase is usually beneficial only to the department and not to the state. However, we have recently begun to understand the expression "departmental interest" in a strange way. What does the main interest of a communications department seemingly consist of? More people easily establishing communications with each other. This departmental interest in no way contradicts your and my interest and the interest of the state. However, the Ministry of Communications has been conducting for many years strenuous preparations to establish telephone conversation meters. It is prepared to go (and has already gone) to gigantic expense to manufacture, install and service (a very difficult and disputed matter) these meters. In Shyaulay where they have tested the new wage system, the number of telephone conversations decreased immediately by 42 percent; in return, communications income rose by 27 percent. Here, it seems, is where "interest" lies—to work more poorly and to receive more! Only what interest is degraded for the department? Here, the interest is not that of communications but of completely concrete people and bureaucrats who want to possess both the fame and the earnings of first-rate workers with inept work.

Where are those excessive production costs, in the name of covering which—strictly speaking—they are now calling upon us to accept the puffing up of prices as something unavoidable and life-saving, born and what are they composed of? More than enough has already been written about this (I have done my bit in this);

however, it seems that it is early to stop talking—not in order to change the mind of the State Committee for Prices but in order not to let readers be misled.

The Udalov brother cutters from the Sochi Clothes Factory organized an experimental brigade "using a contract." Women customers were dumbfounded by the speed in sewing summer dresses, their quality and ... low price! The board of directors and the city financial department were prostrated: The Udalov brigade began to provide the factory with a profit 15-fold more than the average factory one. Of course, they eliminated the brigade. However, its short-lived existence explained why our prices are growing much more graphically than many volumes of scholarly notes. The Udalovs explained this well without having high scholarly degrees: "There are more than a thousand people in our factory at a time when the present production volume could be maintained by 50 workers." This ratio does not in the least disturb the city financial department although the imagined "easy earnings" of the Udalovs have deprived this respected outpost of restructuring of sleep and its appetite.

Here is another typical example. A greengrocery, which two people—mother and daughter—completely service, has opened in Moscow's southwestern outskirts. Next to it is another—the same type, but 18 people work in it (part of them monitor those who sell, and part monitor the monitors themselves). The receipts of both stores are approximately identical. The quality of work .... In the first store, the line moves briskly and the mother and daughter are courteous and solicitous. In the second one, the sales people are slow and irritable... the reason? Mother and daughter receive from the turnover, and the neighbors have a ceiling: salary plus 40 percent for overfulfillment—for any overfulfillment, be it one percent or 200. This fact gives birth to two questions: Why does the ceiling-free system of payment for work remain at the level of a "bold" experiment and who is paying for the senseless coming to work of 16 people out of every 18 (we are not taking into account the gigantic army of unnecessary workers at the higher stages in the system for managing trade)?

Must we tighten our belts for the sake of the stability of the interests of these 16 unnecessary workers and of those who look out of the windows of every store, supply house, main administration, and ministry?

Has restructuring really not caused grief for these and for the Udalov brothers?

During restructuring and in the name of its ideals, Moscow Oblast decided to establish territorial construction associations (TOS) and granted them the status of design construction firms so that the main administration (it has the rights of a ministry) would become a strategic "brain center" with a small number of employees who would reject once and for all bureaucratic leadership methods. Alas, our renowned builder, N.

Travkin, evaluates the results as follows: "The main administration, having established the TOS, did not move away from operational matters and did not release authority from its hands... The TOS became like additional levers in its hands and not at all independent units.... The management staff grew significantly instead of being reduced.... The 18th Trust, from which I came, previously allocated approximately 40,000 rubles to maintain the higher agency; today—more than 80,000."

Well then. Let us now look at this case from the position of our purse. You know, the management tribute was not increased from the trust. This tribute is included in the production cost of the product which will be produced in the buildings constructed by Travkin, and we will pay for it with our cash down to the kopeck!

This is the difference between the dream, the design, the promise and that which is received from them in fact. On what basis should we trust that a similar swindle will not occur with "price reform"?

With our two hands, we are in favor of "price reform". It is indeed necessary and inevitable. However, it can become a cardinal reform and beneficial to the economy (and not a trivial price rise) only during the active solution of even more fundamental social-political and social-economic tasks. Only! "Normal prices" can only be the result of normalization—the manifestation of normalization. This is elementary, but some "reformers" do not want to understand this simple truth in any way. Understanding is not to their advantage. They promise: "First, we will raise prices to the level of actual expenditures and then we will begin to normalize!" "Actual expenditures".... R. Khasbulatov, an economist, recalls with hopeless sadness one farm in Russia where the production costs of a kilogram of meat reached 16 rubles! They held it up as an example even for those where production costs were eightfold lower. A mystery? No mystery: The director of this farm knew how to get along with his chiefs. What retail price must we set for meat so that the "chiefs" can so generously reward their fawners with our rubles?!

A. Komin, first deputy chairman of the USSR State Committee for Prices, says: "The kolkhoz worker indeed produces meat with fantastic expenditures but these expenditures have existed for dozen of years for us and to think that 'Arkhangelsk muzhik' meat will appear after a year of two or after a five-year plan and that expenditures will be reduced twofold, is naive." He adds in an edifying manner: "One must take the reality, which has taken shape in our agriculture, into consideration." The logic is exquisite in his frankness! You see, everyone knows why even worthless patches of land are usually not found in the spaciousness of our immense motherland even for "Arkhangelsk muzhiks" with their thirst and ability to work well and cheaply. This is the "reality" that has taken shape for us over many decades and that does not allow the Sivkovs and Udalovs to breathe and

exposes them to public dishonor as restorers of capitalism. The State Committee for Prices summons us to "consider" further (that is, to reconcile ourselves to!) this actually existing "reality". It is not difficult to understand in the name of what these appeals are being heard, but where are the "interests of restructuring"? When beginning it, the leadership of the country and the party exactly called upon us to stop reconciling ourselves to the "realities" that had taken shape during the era of the personality cult and the period of stagnation.

#### Where Then Is the Way Out?

The difficulty of the question lies in the fact that, on the one hand, the situation requires immediate decisive steps and, on the other hand, no individual "measures" are able to influence the solution of the price problem. Moreover, any special "measures", even if they are undertaken with the very best of intentions, will inevitably only worsen the situation. As an example, let us address the program proposed by E. Samigullin, an economist, which was set forth in an article entitled "What Are We Arguing About?" (SOTSIALISTICHESKAYA INDUSTRIYA, 25 February 88). Four of the five columns in this article were written superbly. I would have eagerly signed each one—even the one that said it is not necessary to increase product prices but to reduce management expenditures (which are "excessively great"). E. Samigullin convincingly unmasks the speculations on the subject that low prices are more beneficial for highly paid people. He reasonably rejects the suggestions to align prices with the average world level during their adjustment. To consider them, in principal, for the development of reference points for economic development—yes, but to proceed from them.... As a minimum, it is necessary when doing this to first adjust our wages to the world average, to achieve currency convertibility, and to have the "average world" supply of the necessary goods and services.

"It is completely impossible to agree with the opinion of those who insist on a market system for regulating retail prices." Here, the author, alas, is correct, although normal price ratios and the natural dynamics of their absolute expression are capable of being guaranteed only by the market. This is axiomatic. However, not for monopolistic production! The capitalists of the leading world powers are not introducing anti-monopoly ("antitrust") laws into the legislation of the countries out of conscientiousness. A complete monopoly is equivalent to suicide. The article reasonably says: "In the absence of real competition between commodity producers and trade organizations, counting on market price-formation really means strengthening the dictates of the monopolist producer. He begins to inflate prices without any caution...." He will destroy both himself and the economy! "We have just begun to provide more freedom for using commodity and money relations through cost accounting, and what have we already run into during our very first steps? Industrial enterprises are not striving to reduce prices for their products but, conversely,

they are achieving increases by any means. It will be this way until a healthy competitive relationship is established between producers. On the other hand, competition is also necessary between the trading systems, namely, the state system, the cooperative system and city markets...."

Very correctly and very accurately spoken, but ... what do we have in the fifth column? Alas, a proposal to "halt the growth of wages, except for the lower paid categories of workers," instead of raising prices. Why? In order to strengthen the exchange rate of the ruble and to achieve the "satisfying of the population with goods and services using existing sums."

It is not good to hit one in the head, the economist says; it is necessary to do it about the head. In other words, again a "ceiling," again a division not into the many who are doing well and the few who are doing poorly but into those low-paid and those highly-paid with the strategy that flows from this classification in the name of social demagoguery (excuse me, "justice").

We have already brought out in the arguments that it is these "ceilings," "wage-leveling" and "conclusion-leveling" which stand in our way of sharply increasing both the number of required goods and services and their quality in our country. You see, a high ruble exchange rate does not at all insure the availability of a certain amount of money in circulation; this depends on the supplying of every ruble (no matter how many there are in circulation) with the necessary (quality) goods and services (and not material qualities, of course). Is it necessary, therefore, to be afraid of super-high wages—speaking about the innumerable things that "gratify" and "trouble" one concerning the health of our economy without allowing those to work who can and want to produce much more for the country than is now being produced?

In my opinion, the reform, which economists and State Committee for Prices workers are promising us, cannot establish any real price structure since they intend during it to decree prices from above as before, without expanding the freedom to compete between enterprises (production and trade ones) and without their struggling for a customer and the achieving of real financial independence by the enterprises. They will determine them in a purely bureaucratic manner—according to "real expenditures" which it is no accident that even our leading economists on the threshold of adopting critical decisions in the area of price formation are surprisingly amicably "confusing" with socially necessary expenditures. In order to accelerate the movement, they are obtrusively suggesting that the cart be placed before the horse when harnessing it up. They are declaring that, which may be only the result of the general normalizing of the economy and the manifestation of this normalization, to be the means of normalization. In practice, this means that they are suggesting that we do without normalization.



It's as if this "revolution" has not been transformed into the main minefield under restructuring. It would be simply surprising if the bureaucracy were to overlook such a simple to carry out and such an effective way to drive a wedge between the people and the ideologists of restructuring.

The economy must not at all be economical. This is a plush formula whose, as is known, entire energy has gone to saving scraps of paper and protecting dry pieces of cake at a time when grain was decomposing in the ricks and houses had roofs full of holes. The economy "should" really make the country and all of its inhabitants richer and more prosperous and under socialism, it has more than enough still unused capabilities for this.

The old and enterprising Solomon Borisovich, invited to Makarenko's commune, was in no way able to understand how 200 rather large young boys and girls, who had hands and heads on their shoulders, were not able to earn soup for themselves. In the name of the highest revelations of science, they are persistently assuring us that 200 million adult Soviet people, whose hands, legs and heads are seemingly in place, are not capable of providing themselves with bread and butter without putting themselves in debt and not beginning to put grandmother's crinolines into a pawnshop!

An "unscientific" thought comes to mind: what if we begin to align the economic front line by an offensive and not by flight? That is, not by raising the prices for everything without exception for the sake of reanimating and preserving the bureaucratic system but by decreasing the number of mediocre and idle people on all rungs of the social ladder? I would very much like this proposal to be examined as one of the "price reform" drafts whose general discussion we have been promised, in particular, in V. Pavlov's article.

#### Instead of an Epilogue

Arguments are raging about price reform, passions are seething, and ever newer and newer arguments, proposals and forecasts are being expressed; and at this time....

The Yelgavskiy RAF [expansion unknown] Microbus Works has finally begun to produce vehicles for families with many children. The collective put its whole heart into making the microbus practical and comfortable but .... When the long-awaited microbus appeared, not only did the eyes of parents with many children but also those of the vehicle's sales peoples "pop out"—one had to pay 30,000 rubles for it when the wholesale price was less than 5,000! Thus the USSR State Committee for Prices, which was very worried—as its leadership assures us, solved the problem of social justice.

Here is another fact. All of us look at the sky from time to time with ever greater terror. Scientists have been sounding the alarm for a long time and the justification for the alarm, it seems, has found ominous confirmation.

The "ozone hole" over the Antarctic has been transformed from a seasonal one to a permanent and expanding one. Yes, even in the middle latitudes the thickness of the ozone layer is becoming smaller and smaller annually. This layer is very delicate and thin although it protects everything living on earth from deadly solar radiation. As scientists have discovered, the "refrigerant" freon is very destructive to the ozone molecule. A situation has arisen that requires the immediate replacement of freon in refrigerators and aerosol systems (including household ones) with another gas that is safe in this regard. Our chemists have found a solution to the problem. In 1984, "Soyuzbytkhim" [All-Union State Cost Accounting Association for the Production of Domestic Chemical Goods] began to use propane instead of freon. The technical and scientific difficulties were behind us, but ... the State Committee for Prices turned down all of the proposals which would have permitted the change to take place without ruining the appropriate enterprise. The trouble is that propane is almost 2.5-fold cheaper than freon (with a twofold lowering in the expenditure norm). The fulfillment of plans (with the corresponding financial consequences) is determined, as we have pointed out, based on the rubles expended by an enterprise. The Brestskiy Domestic Chemical Plant alone, in trying to save the ozone layer over the earth, has lost approximately five million rubles through the reduction of production costs, and the collective's wage fund was reduced by 100,000 rubles (other funds were too).

The State Committee for Prices is not about your interests and mine, to the death adjusting wholesale product prices to "actual expenditures"? Think it over, our price regulators are ready to defend to the death unfeeling "expenditure" principles that are beneficial to the bureaucracy and completely ignore the interests of both the country's economy and millions of purchasers even if the subject concerns the saving of everything living on earth!

They are calling upon us to entrust into the hands of these people the preparation and carrying out of "price reform" on whose results the entire progress in the country's economic transformation directly depends a great deal. Will we, the ordinary citizens, seem too trusting of those "!!! annushki!!!" who are assiduously pouring sunflower-seed oil on the path of restructuring.

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#### Higher Cooperative Prices Censured

18280070 Moscow LITERATURNAYA GAZETA in Russian 15 Jun 88 p 12

[Article by Anatoliy Rubinov: "Unfair Money"]

[Text] A month ago someone said they had a Western-style joke to tell me:

"Shall I tell you the joke about the cooperative?"

"Go ahead," I replied.

"It is chasing the ruble...."

Yesterday someone said they had a new Western-style joke to tell me:

"Shall I tell you the joke about the cooperative?"

"Go ahead."

"It is chasing 10 rubles...."

Prices are rising!

The economists and the journalists have been assuring everyone that the results of the cooperative movement have already become evident, and prices have dropped back. I have not noted anything of the kind. I recently made another visit to the Riga Market in Moscow—all sorts of "varenki" and sheepskin coats at the old price! But people were still trying on and buying fashionable products of the cottage industry. Who? Mainly young men and women who appeared to be workers. Are they the richest?

I am all for the cooperators with my mind. It is only my heart that has not yet come around. I look into the arrogant faces of the tradesmen selling their own products and I mentally say to them: "God be with you, you highway robbers." Reconciling my mind with my heart, I also hope that development of the cooperative movement will finally have the result that prices will begin to drop.

So far I know of only one convincing example of the cooperators showing initiative and of having been forced to lower prices after they had done pretty well. This has to do with the photographic map of the Moscow subway, superimposed on a map showing the location of the largest stores in the capital.

A year ago the peddlers selling the maps alongside the subway station at the Exhibition of Achievements of the National Economy—a ruble apiece—hardly had time to make change from 3-ruble and 5-ruble notes. Every arriving crowd wanted to know how to get to the department stores. It is said that those who made the maps were at that time earning between 13,000 rubles per month and 25,000. Perhaps this is not so—it is like us to exaggerate the earnings of people who have been successful. Out of those thousands which the resourceful photographers had earned there was no need to make any deductions, it is now being said; at that time there were not yet taxes, and they were debating in the Moscow Soviet whether to consider this work self-employment or a prohibited line of business.

At that time the ranks of map peddlers increased extraordinarily. But this hardly had a bad effect on the earnings. One or two million guests are arriving in Moscow every day, people who do not know what station to travel to to get to the TsUM or "Bogatyr." It might be said that production of the maps is not threatened with crisis at all—wait until the other 270 million citizens of our country have acquired the maps made by the craftsmen! By that time corrections will have to be made in the map—new stations will have been opened.

Envy of other people's money is not such a bad sentiment. This base motivation has forced full-fledged institutions of the state to produce similar maps which are less expensive by the polygraphic method. For example, the firm "Detskiy Mir" has printed a map of stores selling children's clothes and has begun to sell it at 15 kopecks. It is amazing, but at first this has not affected the photographs at all; they are still being sold by their publishers with their folding chairs! The point is that "Detskiy Mir" has released its inexpensive maps through information booths, most of which are closed, and in any case they do not advertise their goods at all, while the private operator brings his chair to the very exit from the subway. Then some other enterprising businessmen began to produce "subway-store" maps at a price of 20 kopecks apiece. And it was then that the prices on the folding chairs finally dropped. Now they are selling them for half a kopeck, and the peddlers are compelled to hawk their wares loudly....

We should not envy the map peddlers! They thought up their business splendidly—they sold their product without advertising, without having to haggle. It is not known which of them had the happy idea first. But by all the laws of commerce it has made many of them rich. That is how it always is: someone thinks up an alarm clock for the desk—and he is the first to skim off the cream. Some will also be skimmed by those who follow, but less. And when the slow ones get on the scent, the imitators, then the public begins to reap a gain from this imitation.

It is our own subway that might have earned more than anyone else in this story with the subway maps. We see how thousands of its rubles have gone away into the pockets of the inventive craftsmen. Every day 1 or 2 million guests go into the Moscow subway—people from other cities who are new here, who do not know how to get to the TsUM and "Bogatyr." First they ask the way, and then they begin to exchange silver for 5-kopeck pieces. That is the point when they should be offered the inexpensive map-guide. Those millions of rubles which our guests have paid because they did not know the commercial geography of Moscow to the photographers—the little businessmen, should have gone to the subway. That would have been pure profit for it. But the subway is not looking for anxious profit—it is far simpler, as Comrade Pakhomov, chief of the Main Subway Administration, has said, to turn to the USSR Council of Ministers to increase the profitability of the subway by doubling the fares. Easy and without a hassle!

Those arrogant young men doing business at the Riga Market still deserve respect. During the decades of life without initiative, it seems that fervor has not died out. The cooperatives and the so-called self-employed have thought up many useful things. Crisp waffles, cotton candy, kozinak, decent piroshki, even the cake that is so scarce known as "bird's milk," which for some reason was packed in the regular box used by the state, but it cost twice as much. Everything from the cooperatives is expensive. But we still will hope that both the maps and also these sweets will get less expensive because of people's envy toward other people's money. And perhaps the state baking industry and our tasteless state food service industry will breathe in the aroma of cooperative products and revive the customs of the old days and show what a powerful state industry is capable of, and the competition will begin?

The trouble is that there is no competition. If there is anything to hope for, then it is for competition among the cooperators. As for state industry, institutions, and administrations, they not only do not compete with the privates or the family cooperatives, they even are enthusiastic about giving up their already bad positions, trying in any way to get rid of anything that causes anxiety and trouble.

Many snack bars—people call them pieces of glass—where traditionally they have poorly prepared and sold at a bad price some liquid which the people there refer to as coffee, although it does not smell like it, are being replaced by respectable cooperative cafes in which the coffee smells like coffee, but costs as much as expensive wine. In them everything smells good with its own natural aromas. Only the prices are not natural. They are extremely high everywhere. A sandwich is 1.5 rubles, a cup of broth 70 kopecks. One may be glad that the sandwiches and the broth are fresh and tasty, but does everyone have the financial opportunity to be glad about it? Many people with average earnings have been deprived of their snack bars, which were poor, but within their means. The taste of the products from our government food service industry depends on those people who stand at the stove. Perhaps it would better to teach them to cook rather than to turn over to the cooperatives the shabby snack bars, which smell of spoiled food?

New ateliers are opening up in which one can have a beautiful miniskirt made for what it would cost to have a full-length evening gown made in a public atelier and have enough left over for a beret with ostrich feathers. These cooperative ateliers are located in dark garment establishments where the loud clerks are sitting and the tailors who do not know how to sew are working somewhere in the back. Earlier there was no alternative: the tailors should have been taught to sew, and the clerks to smile. Now a wonderful opportunity has arisen to get away from the inexpensive atelier that has caused only complaints—its premises have been turned over to the cooperative, which has sanded the floors, washed the windows, hung up lace curtains, and planted in a visible

place a young creature, inevitably young, inevitably well-dressed, who knows how to smile and look you straight in the eye. It is just fine that a splendid atelier has come into being and that there are cordial people who do not make life miserable for the unknown customers, but nevertheless for some people there are fewer and fewer ateliers with moderate prices.

Thus there are now fewer inexpensive snack bars, fewer cheap ateliers, although in the case of the atelier even with the most moderate prices it cannot be said that it is cheap, because quite recently they raised the prices in all the ateliers. But the cooperative ateliers hiked them up still more.

The cooperatives are not necessary because they have replaced the poor snack shops with good ones, but which are expensive, and the shabby ateliers with luxurious ones. Something else is expected from the cooperatives: that they add goods and add new services. They would not replace cheap ones with expensive ones, but would add new ones.

Poor businessmen possess a surprising ability to debase even the best intentions. People who do not want to improve their work were the first to respond to the idea of cost accounting (khozraschet). They did not intend to improve their work at all—they only needed the idea of cost accounting so that they could cover their own idleness, since it could easily be covered over by a rise of prices.

Poor businessmen were very happy about the appeal to promote cooperation. They were happy to give up their positions to the cooperatives, quite often gaining with their own idleness.

Dial information "09" on the telephone in Moscow and ask, for example, how to call the medical cooperative "LIK." Until quite recently this did not cost anyone a kopeck, since telephone information was created precisely in order to give out telephone numbers. Now information will give you the insidious telephone number not of the owner of the telephone, but of the cooperative which gives out telephone numbers for pay. The bright voice of the telephone operator gives everyone the same number. Call up, and this pleasure will cost you 80 kopecks.

I talked with the woman who is the chief of the telephone information unit. And I asked her whether she knew the telephone numbers of the cooperatives? They, of course, had to be known, since the management of the telephone network knows the telephone numbers which it itself gives out. But why don't the telephone operators answer the question honestly and directly?

You see, the telephone cooperative does not collect all 80 kopecks for its services. It gives half to the telephone information department. Of course, the life of the telephone operator has become far simpler—she does not



need to know 500 telephone numbers and become involved in a search for every one, but only one. The telephone operators have written the numbers right where they can see them and they rattle them off without a hitch. What does the information department do for the 40 kopecks it has not earned? Yes, it gets them for idleness. For not working.

This is a very dangerous precedent. It would be quite possible to organize a cooperative "Health" whose members knew nothing about medicine and did not know how to administer medical treatment. But if the information service turned over to them its own card file of the telephone numbers of polyclinics, hospitals, dispensaries, outpatient clinics, and pharmacies, then the voice of the telephone operator would be still brighter: the girl would write where she could see it yet another insidious number, she would not have to search through thousands of numbers, and the person seeking help would have to pay 80 kopecks for the information which until recently cost nothing.

To justify this perfidy with telephone numbers, the woman who is chief of the information department explained that this seven-digit telephone number that costs 80 kopecks is able to tell the client far more than that person needs. For example, the last name of the chairman of the cooperative, a list of the services and addresses, but the client does not want to know the last name of the chairman, and as for the list of services, he already knows that, since he is looking for the cooperative on the basis of its name. A customer for the presumed cooperative "Health" might be told how to get to the polyclinic, who is the chief physician there—but why tell a man with a toothache the last name of the chief physician? A person in pain might be told whether any of the dentists was now taking patients.

This system could be used in setting up a cooperative, say, "Table and Chair," that would give out the telephone numbers of furniture stores. And the names of their directors. One might set up an 80-kopeck cooperative called "Slippers"—it would give out the names of the chiefs of the women's shoe departments in all the Moscow department stores. A cooperative "MacIntosh" for those who want or do not want to know the names of the heads of the departments for ready-made clothes, a cooperative named "Toilet" with the names of directors of stores selling plumbing supplies....

In the drive for cost accounting and self-support, in the noble cause of helping the cooperative movement, it is possible to create 100 information cooperatives which would give people work if they know how to smile over the telephone and would bring rich profits to the poor telephone information unit, which since it was first set up has always been free, because otherwise this unit should have issued to every one of its subscribers the full list of subscribers every year as is done throughout the world. Our artless telephone information department, it

turns out, knows how to make money without doing anything—it has something to teach businessmen abroad who come from a long line of businessmen, how to get money without working.

The idea of a postal cooperative is in the air. In some place they have already been set up, and in some places they are already falling apart. Excuse me, but what is a postal cooperative supposed to do? Home newspaper delivery? But the post office receives a pretty good percentage from the publishers for that. To deliver telegrams instead of the mailman, since the telegraph service—in violation of the Constitution, which guarantees the secrecy of correspondence—tries to deliver the text of telegrams to an unseen customer, who could be the wrong person? Or to deliver printed matter already paid for?

The cooperative "LIK," which we have already mentioned in vain, has been created in Moscow. These three letters are an abbreviation; they stand for "Treatment and Consultation." No doubt about it, the cooperative is operating splendidly. It does massage, it treats the joints, sexual deficiency, etc. It is possible in the cooperative "LIK" to have the most up-to-date procedure done—the tomogram. Can it be that a simple cooperative has for this purpose a computer tomograph, which, as visitors to the international exhibition "Health" are aware, costs between \$500,000 and \$1 million abroad? It would be interesting to know where the cooperative obtained the foreign exchange! Or does it treat foreigners?

The cooperative treats ordinary people who pay the local currency and have an extra 107 rubles. I wanted to look at the cooperative's tomograph. It turned out that it was not installed in the cooperative, but in a state oncological center. There they have two computer tomographs, which cost \$1 million apiece. Those who have a thirst for a tomogram first have to go to the cooperative in Mantulin Street, pay the 107 rubles there, and then take the receipt to the oncological center in Kashira Highway, and this, of course, on a weekday. The same physicians that do tomograms there gratis for their own patients before lunch, do paid tomograms on the basis of the receipt after lunch.

Why is the oncological center showing such cordial attention to heart patients who do not come under its specialization? Quite simple: it receives money for this. The expensive equipment purchased abroad for foreign exchange is serving patients during weekdays for money in our free health care service. They say that 85 percent of the proceeds (proceeds—and this is in our own free health care service!) go to the oncological center itself. Just as in the telephone information unit, they have persuasive arguments to justify the practice. You see, the computer tomographs stand idle after lunch.... And why, may we ask, do they stand idle? Such expensive equipment purchased for millions of dollars stands idle! They explained it to me in very simple terms—the staff positions do not exist to operate it on two shifts. In a

weaving mill where the looms are not so expensive, if you please, they work on three shifts, but tomographs worth millions operate free only on one shift! Computer tomographs are extremely rare equipment in our country. It seems that there are only 13 of them in all Moscow, and in most large cities there are none. And here is the result: because there is no staff position, the oncological center receives money, quite a bit of money, for not working.

Can we give in to the enthusiasm for cooperatives in this way? Would it not be possible to improve the organization charts so that patients who do not have 107 rubles to spare might also have their heart examined? In the end, every workman pays taxes, pays them all his working life from his early days, and it is assumed that this money is going for social welfare, mainly for health care. So that still there is not very much that is paid for in our health service. But with the help of the cooperative "LIK" our health service is receiving double pay.

Our free health service is gradually learning to make money. But what I want to tell about now no longer concerns health care, since it concerns those whom even all the money in the world can no longer help.

In Moscow a cooperative has recently been created with a very elevated name—"Kristall." In the directory which has just come out, but has not been put on sale, its specialization is indicated in one line—"Ritual Services: Embalming (?), Cosmetics." This is a very dynamic cooperative. It renders services to the dead. It embalms them, and it does cosmetics for the farewell journey. The hospitals have always done these sad services for free. Now the morgues in some hospitals have become economic enterprises with a flourishing business.

I wanted to learn the details about the activity of the cooperative "Kristall." I telephoned the cooperators, but I received no answers to my questions concerning the details of their sad but profitable occupation. First, the dispatcher talked to me—a woman who was well-endowed with a deep voice. But she hesitated, there was a pause, and she passed the receiver to another woman who did not have the same vocal endowment, but was more decisive. This voice said that no details could be given out over the telephone. The woman said in justification: "How do I know that you are calling from the newspaper? Perhaps you are a competitor?" I did not manage over the telephone to argue that I did not intend to engage in that sorrowful business and shake down good people for their earnings. Then I found the telephone number of the dissector of Hospital 7, where, rumor had it, the cooperative was applying its energies. But Valentin Semenovich, chief of the department of pathological anatomy, soon cut the conversation short when it touched on the payment procedure ("for embalming and cosmetics"). After I asked what part of the income the cooperative with the high-sounding name gave to the hospital that sheltered it, Valentin Semenovich considered a telephone conversation on this topic

unsuitable. Obviously there is some kind of state or even military secret involved here, something that stands in the way of speaking about things of this kind over the telephone. Somehow I did not feel like parting this life in the department for pathological anatomy of the hospital in Kolomenskiy Rayon. Thus I never learned how much profit the hospital was making on "embalming and making up" its former patients and how much this is now costing the relatives of the deceased. I did not learn how profitable it is for the hospital not to work, how much it gets for ceasing to render this last service.

Society does not need cooperatives, be they cheerful or sad, so that state enterprises can get out of an easy job requiring a bit of mental effort and stirring just a bit, and so they can disguise mismanagement and take the shortest route to profit for idleness. Cooperatives are necessary for competition, for growth. Let them think up new goods that do not exist, invent new services which have not been thought of, but not replace traditional services which have been free and inexpensive with those that are paid for. Otherwise there will be no thrust from our cooperative movement.

To be honest and blunt, certain quick-thinking businessmen of state enterprises, who make money from idleness, from the work of others, from someone else's mental effort and someone else's moving about, do not compare favorably with the arrogant bandits that inhabit the Riga Market. We still have no idea at all who seems fairer.

07045

#### **Tadzhik SSR Consumer Goods, Services Report, Decree**

##### **Commission Report**

18270066 Dushanbe KOMMUNIST TADZHIKISTANA  
in Russian 1 Jun 88 p 3

[Report by G.S. Savriddinova, deputy and commission chairman: "On the Work of the Consumer Goods and Services Commission of the Tadzhik SSR Supreme Soviet"]

[Text] Comrade Deputies!

Step-by-step work is being carried out in our republic to increase consumer-goods production, improve their quality, and expand their assortment, as well as to develop the trade network, public-dining facilities, and consumer-type services. The system of planning goods production and rendering services is being improved, the economic independence of enterprises is being expanded, and their responsibility is being increased.

Likewise participating in carrying out this work is the permanent commission on consumer goods and services of the Tadzhik SSR Supreme Soviet. The deputies are paying particular attention to monitoring the progress made in accomplishing the tasks of the republic-level

Comprehensive Program of Producing Consumer Goods and the Service Field During the Years 1986-2000. The commission took part in formulating and examining the draft of the State Plan of the Republic's Economic and Social Development for the 12th Five-Year Plan, which provides for an increase in the output of non-food items by 24 percent and the volume of paid services by 42 percent.

Local Soviets of People's Deputies have been called upon to manifest a constant concern for saturating the marketplace with consumer goods. With this goal in mind, the commission members in May 1987 studied the question of how the Dushanbe City Soviet is meeting the demands of the 27th CPSU Congress with regard to improving the quality of consumer goods.

There are, of course, changes for the better. During the first four months of the current year 32.46 million rubles worth of consumer goods were produced, representing an increase of 31.4 million rubles, as compared with the corresponding period of last year. The plans for improved-quality items, those on the "N" index, and particularly fashionable items were significantly overfulfilled, and several company-type stores opened.

Nevertheless, far from all enterprises maintain an assortment of consumer goods, while about a third of the enterprises in this republic's capital do not produce such goods at all. The quality of the consumer goods being turned out by such enterprises as the Dushanbe Tadzhihgidroagregat, the Fittings Plant imeni S. Ordzhonikidze, Spetsavtomatika, and several other plants are too low in quality.

Moreover, the capital's city soviet, its ispolkom, permanent commissions, and its deputies have not developed any effective organizational work to correct the situation which has evolved; they have failed to exert the necessary influence on speeding up the introduction of the achievements of scientific and technical progress in those sectors which produce consumer goods; they do not demand sufficiently exacting standards of enterprise and organization managers, and they rarely listen to their reports concerning these matters. Too few cooperatives have been set up to make consumer goods.

Materials were sent by the permanent commission for examination by the Presidium of the Supreme Soviet and the government of this republic. Positive solutions have been adopted for most of the problems involved. Thus, for example, in order to provide the Dushanbe Garment-Production Association imeni 50th Anniversary of the USSR with steam for its technical needs, in May of the present year this association was allowed to connect its own boiler system to the central gas pipeline. A portion of the adjacent area, from which a number of decrepit structures are now being cleared, has been transferred to the principal enterprise. A contest has been announced for developing a draft plan for the administrative-production wing, with construction to be

carried out during the years 1989-1990. The Lazat Production Association has been granted an area for building a new workshop. At the republic's request, the USSR Ministry of Trade and the USSR Gosagroprom [State Agroindustrial Committee] have allocated stocks of certain kinds of raw material for producing national types of items. The TaSSR Gossnab has specified the procedure for distributing business waste products and created several cooperatives in order to produce 46.3 million rubles worth of goods from local raw materials and waste products.

The commission has examined the problem of the status of and measures to improve consumer services to the population of Kulyab Oblast. A shift has occurred in the direction of improving services to people. Thus, during the year bathhouse and laundry combines went into operation in the Dangarinskiy and Leningradskiy Rayons, and a dry-cleaning establishment was opened. Throughout the oblast as a whole, 92 units of new equipment were installed, and 34 new consumer-service enterprises were organized, including 16 in rural localities. One and a half- and two-shift operating schedules have been introduced at 71 enterprises, along with 11 new types of services. Now rendering services are enterprises of motor transport, Gosagroprom, and the Kulyabgaz Liquefied Gas Center.

Nevertheless, the deputies came to the conclusion that insufficient measures have been undertaken in this oblast with regard to developing the network of consumer-service enterprises, as well as having their reception centers directly where the rural inhabitants live and work. Many kolkhozes and sovkhozes lack service enters, shower, and bathhouse facilities. Most consumer-service enterprises do not measure up to sanitary-hygienic requirements. The standards of service remain low, deadlines for filling orders are not met, and working people lose a great deal of time waiting around to obtain such consumer service. Personnel are poorly trained for working in the consumer-service field. It's not surprising that this oblast's inhabitants are hundreds of rubles short every year in the amounts of services received.

As was also the case previously, plans for the capital repair of housing have not been fulfilled. Moreover, especially in Dushanbe, communal facilities have not been introduced in sufficient amounts, the work of hotels has not improved, and the sanitary condition of many population centers do not measure up to the required norms. In 1987 the plan for building consumer-service facilities was fulfilled by only 45 percent. The ispolkoms of the Soviets of People's Deputies do not manifest the necessary concern for developing and improving the activity of communal and consumer-service enterprises; they have reconciled themselves to low standards of services and poorly monitor the activity of enterprises in this category.

If we take a look at the state of affairs in the service field and that of providing people with consumer goods from the viewpoint of today's tasks, as well as the requirements of perestroika, we would have to acknowledge



that the tasks assigned by the party with regard to speeding things up and achieving a radical turnabout in these areas are being carried out extremely slowly; the population's demand for an entire range of goods and services is far from being fully satisfied, including the demand for sports-type clothing, footwear, and vacation-type items in general. Over a number of years there has been no improvement in the situation with regard to providing the population with children's and school-type assortments.

At the same time, the republic-level ministries and departments, union-level enterprises and associations, as well as ispolkoms of oblast, certain city, and rayon Soviets of People's Deputies have not always adopted effective measures in order to make sure that all enterprises fulfill the plan and contracts for providing consumer goods and services, guaranteeing their output in accordance with the agreed-upon products list and assortment. It should be noted that the results of the wholesale market fairs which have been held indicate that the production volumes of such items as clothing, footwear, and children's items being planned for the year 1989 by this republic's industrial enterprises do not permit the population's demand for them to be fully guaranteed.

Such problems as the following are being solved too slowly: the complete loading of existing and newly introduced production capacities, identifying equipment operation, improving the organization of labor, strengthening production discipline, and upgrading the quality of items. Insufficient concern has been exhibited concerning the improvement of employees' labor and everyday living conditions, especially those of women. The system of material and moral incentives is not being improved with enough determination. The USSR Law on State Enterprises (Associations) is not fully operational, and democratic principles have been poorly introduced into the lives of labor collectives.

If the plan with regard to consumer goods for the first four months of the current year was fulfilled for the republic as a whole by 102 percent, and, moreover, the growth rate in comparison to last year amounted to 7.6 percent, the Tadzhik SSR Ministry of Consumer Services fulfilled it by only 86.1 percent, the Tadzhik SSR Ministry of Internal Affairs—by 94.7 percent, and the Tadzhik Consumers' Union—by 98.8 percent. Assigned tasks were wrecked by certain enterprises under union administration which are situated on our republic's territory: the Kurgan-Tyubinsk Transformer Plant—by almost half, the Tadzhikkabel Plant—by more than a third. The Dushanbe Refrigerator Plant was short on its delivery of many of the Pamir refrigerators with new modifications. Three enterprises under the Ministry of Light Industry during the last few years have begun to turn out quite a few new items; however, a significant portion of these items are marked by poor quality. In the first quarter more than one-third of the cotton fabrics, 80 percent of the sewn items, and almost 40 percent of the

knitted outerwear out of the total number of goods checked up on were reduced in grade and were returned for adjustment. Within the system of the Ministry of Local Industry one out of every 10 sewn items and one-fifth of the silk items are discarded or assigned a lower grade. One out of every five items in the Tadzhikmebel Association were scrapped.

Quite a few items are being turned out for which there is little demand by consumers, and for that reason they are not sold; they pile up in the warehouses of the enterprises themselves or in the trade system. This pertains primarily to the republic's leather-footwear sector. At the present time the trade network has accumulated two million rubles worth of slow-moving and shopworn shoes produced by the Dushanbe Leather-Footwear Association and 706,000 rubles worth—in their own warehouses. At the same time there has been a considerable shortfall in footwear made of box-calf leather, fashionable, children's, and young people's footwear with improved consumer features.

The sector is making extremely unsatisfactory use of its production capacities, including the highly productive imported equipment. Half of the equipment is obsolete and physically worn. The technical equipment at the Leninabad Shoe Factory is at a particularly low level. The per capita supply of footwear in our republic is significantly lower than the nationwide indicator. However, construction of a new shoe factory with a capacity of 5 million pairs and expansion of capacities to one million pairs at the Dushanbe Shoe Factory No 1, as planned for 1989-1988, has been postponed to 1989.

The assortment of goods produced here in our republic is still being expanded too slowly. Many of the simplest, everyday items and household utensils continue to be shipped in from beyond the republic's borders, even though their production could be organized in our own localities. Here is something for the republic's Gosplan to think about.

With the conversion of enterprises to the system of self-support and self-financing, particular importance attaches to the problem of the quality of the items being produced, including consumer goods, of course. It's a well-known fact that nobody will buy poor-quality items, more losses will be written off and not covered, the labor collective will have to seek a solution on its own and achieve an improvement in the products which it turns out.

And this can be achieved, above all, by means of technical progress by converting to new equipment and technology, by upgrading the skills and responsibility of each employee. This path must become the strategic thrust in the activities of enterprises under ministries and departments engaged in producing consumer goods.

This republic's Ministry of Trade and the Tadzhik Consumers' Union have been too slow in eliminating shortcomings in the organization of trade and public-dining services. The trade organizations are not yet exerting the necessary influence on the plans for goods production; too often they tolerate the non-fulfillment of agreed-upon deliveries.

Check-ups, especially those conducted in rural areas, uncover many instances where items of which there is a sufficient supply are not for sale. A decisive struggle is not being waged against violating the rules of Soviet trade. Many trade employees behave in a crude manner toward customers; they have neither the know-how nor the desire to advertise the items which are in the stores. As was the case previously, the assortment of items on the menu at public-dining enterprises is meager and monotonous. The production of culinary items and semi-finished products, as well as sale in the cafeterias of industrial enterprises, construction organizations, transport, schools, kolkhozes, and sovkhozes, is being expanded very inadequately.

Eliminating these and other shortcomings is the goal of measures being carried out in the republic to improve planning, economic incentives, and administration in state and cooperative trade. The task of organizing more specific and effective commercial activity has been assigned. The progress being made in implementing these measures will be monitored by our commission.

A certain amount of work is being conducted in this republic with regard to creating a system of paid consumer services; however, it is still far from being adequate. The plan for four months of the current year has been fulfilled for this indicator by 94 percent, including 96 percent for sales of consumer services. The population has been short-changed in paid consumer services by more than seven million rubles. The ministries and departments are to blame for the fact that the assignments with respect to paid services have not been conveyed to all the enterprises having the potentials to render them. There are 37 such enterprises in the city of Dushanbe alone.

Lagging especially behind is the construction of housing, garages, garden sheds, the plowing of farmstead plots, and the hauling of freight. Construction of contemporary houses of the farmstead-type is extremely inadequate. The Gosagroprom fulfilled the annual plan for this indicator by only 71 percent, thus shortchanging rural inhabitants by more than a million rubles worth of services.

The principal producers of services are the enterprises and associations under the Ministry of Consumer Services. The volumes of sold services are increasing at a rapid rate, but they still lag behind the needs. The Ministry of Consumer Services and its enterprises have done a poor job of introducing new, progressive forms of rendering services, nor have they provided strict

accounting. Customers are presenting complaints with regard to the quality of the services rendered and the deadlines for filling orders, as well as the low standards of services. There are many instances of violating the price handbook for filled orders in the direction of inflating the prices. The assortment of services in the rural areas is not expanding rapidly enough.

Tadzhikistan has created a sufficiently strong industrial base, formed personnel staffs for trade, public dining, and consumer services. In short, the foundations do exist for a qualitative restructuring of consumer-goods production and rendering services. Also serving to expand the production of goods and the rendering of services is the new Law on Cooperatives in the USSR, which has just been adopted by the USSR Supreme Soviet. It was emphasized at the session that nowadays there are all the conditions for the cooperative movement to develop effectively in the most diverse forms, at a rapid rate, and everywhere.

Expansion of the cooperatives' activity is not just a routine campaign. In cooperation with the state sector of the economy, a wide network of cooperatives will allow us within a brief period of time to eliminate the gap between demand and supply. The local Soviets of People's Deputies have been called upon to head up the development of the cooperative movement, to transform it into a powerful means of building socialism. With the aid of the organs of the people's power, the cooperatives will be able to occupy within a short time a prominent place in the economy of each rayon, city, oblast, and in the republic as a whole.

Shortcomings in the production of consumer goods and in the service field attest to the fact that there is a great deal of unfinished business in the activity of the permanent commission. The deputies have not fully ensured the execution of all adopted decisions, nor have they utilized all the possibilities for more effectively influencing the activities of enterprises in industry, trade, and the service field for the purpose of achieving a more complete satisfaction of the population's demands for goods and paid services. (Applause).

#### Supreme Soviet Decree

18270066 Dushanbe KOMMUNIST TADZHIKISTANA  
in Russian 14 Jun 88 p 3

[Decree of the Tadzhik SSR Supreme Soviet on the Work of Consumer-Goods and Services Commission of the Tadzhik SSR Supreme Soviet, 10 Jun 88]

[Text] Having listened to the report of the Consumer-Goods and Services Commission of the Tadzhik SSR Supreme Soviet, the Supreme Soviet of the Tadzhik Soviet Socialist Republic notes that the Commission, in accordance with its constitutional powers, systematically monitors the work being done by the Soviets of People's

Deputies, the administrative organs of the corresponding sectors of the national economy, as well as enterprises and organizations with regard to improving the people's well-being in light of the decisions made by the 27th CPSU Congress and the 20th Tadzhik CP Congress.

Participating in examining the drafts of the state plans of economic and social development for the 12th Five-Year Plan, as well as for the years 1986, 1987, and 1988, and in preparing the appropriate conclusions with regard to them, the Commission linked together the actions of ministries, departments, and ispolkoms of the local Soviets of People's Deputies in further increasing the production of consumer goods, expanding their assortment, and upgrading their quality, along with improving and developing the service field.

Attention has been accorded to monitoring the implementation of plan assignments with regard to the output of consumer goods and services, as well as carrying out the Commission's conclusions and recommendations. Its activity facilitated, in particular, the successful implementation of the 1987 plan and that of the first four months of 1988 with regard to consumer-goods production.

The Commission has strengthened cooperation among scientists, specialists in the national economy, public organizations, as well as the organs of state administration and people's control. Based on the conclusions drawn by the Commission members concerning the progress being made by the Dushanbe City Soviet of People's Deputies in implementing the demands of the 27th CPSU Congress with regard to increasing the production, expanding the assortment, and improving the quality of consumer goods, the Presidium of the Tadzhik SSR Supreme Soviet has adopted an appropriate decree on this matter. Upon the Commission's initiative, a number of questions which had been posed were resolved by the republic's government.

At the same time, the Tadzhik SSR Supreme Soviet notes that the Commission has not yet completely restructured its work in the light of present-day requirements, nor is it exerting enough influence on the activities of the ministries, departments, local Soviets of People's Deputies, enterprises, and organizations with regard to increasing the production of consumer goods which enjoy heightened demand among the population, expanding paid services, as well as improving and upgrading cultural standards in the work of enterprises and organizations engaged in trade and consumer services.

As was the case previously, many enterprises under union and union-republic jurisdiction fail to produce consumer goods in sufficient quantities or at all.

There have been no substantial shifts in the direction of improving the quality of goods being produced or expanding their assortment; the plan assignments for the

sale of paid services have not been fulfilled; and mistakes have been permitted to occur in the organization of trade and public dining, particularly in rural areas.

With respect to volume, structure, and quality of performance, consumer services have not fully responded to people's demands. Work on organizing and developing cooperatives and individual labor activities in the field of consumer-goods production and consumer services has proceeded too slowly.

The Tadzhik SSR Supreme Soviet hereby **decrees the following:**

1. The Report on the Work of the Consumer-Goods and Services Commission of the Tadzhik SSR Supreme Soviet shall be taken under consideration.

2. The Consumer-Goods and Services Commission of the Tadzhik SSR Supreme Soviet shall be obligated to take the following steps:

—more firmly relying on the constitutional powers granted to it, carry out a multifaceted analysis and monitoring of the work done by enterprises engaged in industry, trade, and the service field, render effective aid to their activities in providing the population with high-quality goods and the necessary services. Widely involve scientists and specialists in studying and examining these problems, develop more fruitful cooperation with other permanent commissions of the Tadzhik SSR Supreme Soviet, as well as the appropriate permanent commissions of the local Soviets of People's Deputies and the organs of people's control;

—maintain unflagging monitoring controls over the progress being made in implementing the Comprehensive Program for Developing Consumer-Goods Production and the Service Field for the Years 1986-200 throughout the Tadzhik SSR, along with the plan assignments for the 12th Five-Year Plan;

—in conjunction with the ispolkoms of the local Soviets of People's Deputies, strive to achieve from all enterprises, regardless of their type of basic activity, the production of consumer goods and an expansion of the services being rendered by them;

—in analyzing the problems of consumer-goods production and the rendering of services, be profoundly guided by the Law On Cooperatives in the USSR, make fuller utilization of the possibilities inherent in the individual form of labor activities, facilitate their emergence and development in all manner of ways.



## GOODS PRODUCTION, DISTRIBUTION

### Scarcity Of Manufactured Goods At Enterprises Noted

18270070a Moscow PRAVDA in Russian 22 Jun 88 p 1

[Article; "Industry and the Store; Goods for the People Should Become a Source of Income for a Plant and not a Burden"]

[Text] Over the last two years in our country, 2.3 billion rubles worth of cultural, domestic and economic goods were produced over and above what was provided for by the Integrated Goods and Services Program. The emptying store counters, however, tell another story: such acceleration has not solved the problem of satiating the market with goods.

Two groups, as it were, are operating now in our industrial sector: one is group "B," which is working on satisfying the workers' consumer interests, evidently without expending any extra efforts; the second is occupied also with a very serious matter—the output of the means of production—and, for this group, consumer goods are simply a burden. The group "A" enterprises prefer to deal with articles, the manufacture of which does not require the establishment of special production lines.

Such production amounts to more than half of the consumer goods output of the USSR Minkhimash [Ministry of Chemical and Petroleum Machine Building] and Minaviaprom [Ministry of the Aviation Industry] enterprises. The portion of "novelties" in the overall production volume in the group "A" sectors does not exceed 8-10 percent. Our industry is only just beginning to produce video recorders, clothes irons and dishwashers. According to the specialists' estimation, the level of mechanization of housework in our country is lower than that in a number of socialist and capitalist countries by a factor of 3-5.

The powerful scientific and technical potential of the group "A" sectors should be subordinate to the consumer and to the market's goods demands. This is the only way we will close the gap in this field. Just what is lacking? The economic and social interest of the collectives in the output of consumer goods. It would seem that cost accounting, under the conditions of which many sectors are already operating, is capable of smoothing out the problem of profitable and unprofitable products if they are needed by the market.

In practice, this is not occurring right now. Mainly, because the numerous departments are attempting to adapt cost accounting to the old instructions and to cram it into the framework of their own interests. Meanwhile, it is necessary to have neither an individual economic mechanism for each sector nor preferential instructions for selected sectors, but rather, equal economic conditions for all of them. What might they be?

In the opinion of A. Buzhinskiy, the chief economist of the ZIL Association [Lenin Motor Vehicle Plant Association], interest in consumer goods production will emerge in the collective only when the goods will not be unprofitable. Therefore, it is necessary to develop specialized capacities. Credits under profitable conditions should be granted for these goals. Likewise important is how to divide up the profits from the sale of goods. The chief economist of this well-known enterprise figures that a large portion of the profit from a product manufactured over and above the 5-year plan or state order should belong to the collective. And this money will supplement the enterprise's social development funds. Naturally, the problem is not confined to this. Over the years of near-sighted lack of attention toward the consumer, the practice of managing the sectors and enterprises tilted completely to the other side—toward production volume. Having begun the departure from the old method, in our haste, we do not ponder all the fine points. For example, the index for fulfillment of the plan for contracts among group "A" enterprises includes both the basic production and goods. In fulfilling all the orders for the basic production, the collective becomes very keenly aware of the disruptions of orders for small items. This is hardly justifiable—lumping everything together. It is clear that, under such conditions, the giant will never turn its attention to the goods market.

Is this why, in 1988, it was so difficult to place state orders? Heavy industry enterprises refused to accept orders for many goods. Among them was not only Uralmash [Ural Heavy Machine Building Plant], but also the Kharkov Tractor Plant. Of course, it is impossible to agree with such a position. However, it would be incorrect to employ only administrative levers. It is more prudent to seek economic versions of the solution of the problem.

Everything revolves around the collective's interests and the consumer is just, as it were, an external aspect of the matter. For example, the relations with trade. For the present, the wholesale markets have an excessive number of formalities and it has not become the practice to have direct ties between the manufacturing plants and the customers. Such principles of cooperation have not yet been worked out as would ensure the priority of the consumers' interests and preclude the producer's dictates.

In this respect, the plant-outlet trade is turning out to be profitable. Already, dozens of stores belonging to plants have appeared. But the process for their establishment is coupled with bureaucratic brakes. Local party and soviet organs should render specific assistance when the matter involves, for example, the allocation of a store site and the raw goods and materials for producing the finished goods.

A foundation for this has been established in the Belorussian SSR and the Lvov and Ulyanovsk oblasts. Only such organization of the matter will force the enterprises'

collectives and the soviets of people's deputies to combine efforts for the more complete satisfaction of the populace's needs. Today, in certain regions, only 40 percent of the demand for consumer goods is being met by our own production. Many union-subordinated enterprises located within the republic are remaining on the sidelines. It is obvious that, here too, the matter can not be corrected merely by administrative pressure. The situation can be changed by intelligently applied cost accounting.

Only a few collectives are taking good advantage of the opportunity to establish cooperatives and to lease them to economically unpromising enterprises. Practice is showing that the cooperative workers are "pulling" such shops up to the level of profitable ones. The results of the cooperatives' activities, as is well known, are taken into consideration in the enterprises' plan. And this draws

their interests closer. Yet, all the same, there is a noticeable attempt by managers to disassociate themselves from the cooperative's problems. They do not want to take on responsibility: as they put it, we are not responsible for your economic activities. And yet, they should show concern if there is a cooperative at the plant and it works on the plant's plan. Indeed, in the final result, the complete and timely satisfaction of the people's needs is the ultimate purpose of the activities of each labor collective.

The primary party organizations, the labor collectives' councils and the sectors' economic councils need to make use of every opportunity to produce more goods and of better quality. Industry and the store counter should solve the common problem—more complete satisfaction of demand.

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## ENERGY COMPLEX ORGANIZATION

### Industrial Support for Baku Oilfield Development Inadequate

18220085a Baku VYSHKA in Russian 1 May 88 p 2

[Article by Raisa Kender under the "Report From the Seacosi" rubric: "To Greater Depths!"]

[Excerpts] The CPSU Central Committee has set the task of bringing Caspian Shelf oil recovery levels up to 15-16 million by the year 2000.

During the 13th and 14th Five-Year Plan periods, our country plans to start developing oil reservoirs in the Arctic, Sakhalin and the Sea of Okhotsk. The work will take place out on the frozen seas, and the oil workers—and everything hinges on their efforts—will have to construct sleet-proof drilling platforms and underwater oil fields. Here, the Party is counting on the help of the Azerbaijani oil-workers, who are the only ones experienced in developing the shelf's resources and in building and servicing complicated offshore engineering structures—offshore piers, drilling platforms and pipelines.

Today I recall with particular clarity a story of Israil Guseynov, a drilling foreman, and Hero of Socialist Labor, who passed away earlier.

There was a fierce storm. Torrents of water were breaking onto the drilling platform in a wall. The entire shift—18 people—tied themselves to a single line and decided that if they went under, they would all go together. But everything turned out well. And that is how, like a team of mountain climbers tied together, Azerbaijanis and Armenians, Russians and Lezgins completed the first high-yield well erected during the discovery of the new "28 April" Field.

This discovery made it possible from the very beginning to stabilize, and later to raise, oil recovery levels in Azerbaijan.

How many people there are who are unusually devoted to their work, who are modest and diffident, whose characters astonish us in extreme situations, who are responsible for new discoveries and victories!

On the day before May Day, I met with Ivan Fedorovich Smagin, chief designer of engineering plans for deepsea stationary drilling platforms.

Ivan Fedorovich recalled how he greeted May Day 1945 in Czechoslovakia. Battles were still being fought, but the soldiers knew that the war was over. And they had not been home since autumn of 1941 when, as students of the Vladivostok Naval Institution, they had volunteered for the front. The 18-year-old Ivan Smagin was among them. At the front he served as a mortar man. He was awarded the Order of Glory, the Red Star, the Great Patriotic War medal and the Medal of Valor.

As I talk with him, I visualize an episode from a German film. Impeccably trained Nazi alpine division officers prepare to attack our Fatherland. They have no doubt that victory will be theirs, that our nation's wealth will belong to them. One says to another, "In Baku you can drill through the earth with your heel and a gusher of oil will hit you in the face. That's where our division is headed." Yes, the objectives they longed for were definitely concrete.

Our Fatherland's oil. It helped win the war, and its recovery now ensures our raw materials independence and is the foundation of our country's economy.

Ivan Fedorovich Smagin also became one of the petroleum front's enlisted men. He graduated from the Azerbaijan Petrochemical Institute and came to work at the Gipromorneftegaz GosNIPI [State Scientific Research and Planning Institute of Offshore Oil and Gas]. And for 35 years he has poured his abilities and courage into devising complicated engineering structures, i.e., deep-sea offshore stationary drilling platforms.

The Baku engineers Ivan Smagin and his friends Imran Gadzhiev and Ali Ismaylov and their helpers are well known on the Sea of Azov, on the Baltic and Black seas and on the eastern shore of the Caspian Sea. Their designs and calculations were used to build the country's first exploratory drilling and oil and gas recovery platforms.

Ivan Fedorovich spent six months as a consultant in India, where there are complicated features such as 6-meter tides: every sea has its own peculiarities. He visited America and England and studied other countries' experience in developing continental shelves. He also accumulated experience doing his own job...

A few days ago the first block of Platform No 14 was delivered to the "28 April" Field. The whole country saw it on television. Smoothly and gently rocking on the deep blue waves and accompanied by powerful tugboats, looking like a giant bookcase and as tall as a 45-story apartment house, the platform headed out to sea. This is the lower block of MSP-14 [Offshore Stationary Drilling Platform], from which 24 oil wells will be drilled.

The gigantic steel island will be the first to be attached to the seafloor, where the water is over 125 meters deep. This is the latest word in technology.

Now, Smagin and his helpers, about 100 of them, are preparing to reach a new frontier—they are devising platforms to operate at offshore depths of 140, 155 and 170 meters. They are dedicating their labors to the 19th All-Union Party Conference.

The work of SMU-4 [Construction and Installation Administration] of Kaspromorneftegazstroy [Caspian Sea Offshore Oil and Gas Construction Trust] is being called an offshore feat. To bring the ideas of Gipromorneftegaz



GosNIPi to fruition, SMU-4 has built the sixth platform so far at an outdoor erection area on the seacoast. If the planners and builders had waited until the deepwater platform plant began turning over its products to Baku, could Azerbaijan's oil-workers really have raised their oil-recovery levels? Of course not.

Development of the huge field was initiated by the 300-member collective, not the 3,000 workers at the deep-water platform plant. There is not another such construction and installation administration in the country. I am talking with its chief A. Avakov. It is thanks to his initiative and technical competence, and the skillful group of responsible people in key positions, that construction of these platforms has acquired such scope.

"We spent a year building Block No 14. It weighs about 4,000 tons," Albert Armenakovich tells me. "We set it in the middle of the sea, where the water is 125 meters deep and the piles sunk into the seafloor are also 125 meters long. Altogether the structure is 250 meters high.

The construction workers work precisely as called for by restructuring. They are presently working offshore around the clock, carrying out a complex technological process on the waves, attaching the block to the seabed, after which it will be abutted to another identical block manufactured by the deepwater platform plant, and will then be followed by installation of the deck section and the upper structures. The platform will be turned over to the drillers during the 4th quarter on a "turn-key" basis.

And this is how, by reaching new depths in the sea, the task set during the 27th CPSU Congress is being solved.

On literally the day before May Day, an expanded council of directors was held at the Kaspromneftegazprom VPO [All-Union Caspian Sea Offshore Oil and Gas Industry Production Association]. VPO Chief K. Abasov, in his parade dress uniform with its Gold Star Hero of Socialist Labor and USSR and AzSSR State Prize medals, addressing a gathering of 1,500 directors expecting high-sounding words and holiday congratulations, wasted no praise and talked predominantly about their tasks. The VPO had to reach the 1989 oil-recovery level in December, or the plan would be increased by another half-million tons.

The only applause was for the report that first place in the results of the All-Union Socialist Competition had been awarded to two Baku collectives—the NGDU [Oil and Gas Production Administration] imeni Seregrovskiy and the Bukhta Ilyicha MURB [Offshore Drilling Operations Administration]. The directors took this as an advance payment.

And so it was that I thought, when starting this story, that it was going to be upbeat and triumphant from beginning to end. That's not how things turned out. While talking with oil-workers about the difficulties facing them in developing deposits in extreme offshore

depths, I thought about the fact that filling the state oil-recovery order is far from the final result, which lies in the quality of the petroleum products: gasolines, additives, oils and lubricants. It is hard to admit that with all the finest grades of Azerbaijan oil in the country the Baku enterprises get only the poorest of them and that the motor vehicle and aircraft plants manufacturing the new generation of products are not purchasing them.

Baku oil congeals at 35 degrees, and is thus unsuitable for jet equipment or for use in Siberia and in the Far North. And what losses are inflicted on the national economy by the fact that all grades of oil are pumped through a single pipe—highly-valuable light oil, over half of which is made up of gasolines, high-sulfur content oil, with its altogether different properties, heavy viscous oil, and light oil saturated with gas vapors. How many valuable components fail to be separated out, how many escape into the atmosphere and into mazut, where they are burned in furnaces!

Oil started flowing from the imeni 28 April Field six years ago, and no special technology for refining it has yet been set up. Why have the institutes surrounding our oil refineries vacillated so long, and what are they introducing into the production sector if they are not seeking solutions to our economy's most pressing problems?

It is fitting here to mention the scientific feat of Academician Yu.G. Mamedaliyev, who devised methods for producing new types of fuel for military equipment at the height of the war.

And right now, the pivotal task of our chemists is to develop new and effective refining methods and ways to increase the depths from which we extract products. The fact is, in foreign countries, where they know the true price of oil, this indicator has been brought up to 80-85 percent, where it is only 50-51 percent at Baku's enterprises. And this area is where we have scope for the competition of minds and talents, and for developing and promoting ideas.

Is it worth it to wait for Moscow to look into the reasons for our lagging production? The oil-workers who have taken on the extremely difficult work of offshore oil recovery are correct in asking refinery personnel and scientists when the Baku enterprises are going to start delivering gasoline, oil and lubricants suitable for state-of-the-art equipment and when they are going to get involved in the world market, when Baku oil is in fact not even in the competition.

12659

#### Well No 3 at 28 April Field Yields Oil

18220085b Baku VYSHKA in Russian 28 May 88 p 1

[Article by R. Andreyeva under the "Information in This Issue" rubric: "Oil Reservoir Discovered"]

[Excerpts] Yesterday at 7:00 am, wildcat Well No 3 produced an oil flow of over 200 t. The well was completed from Deepsea Drilling Platform No 9, located

in the northeast limb of the "28 April" Field. This is the first time oil has been found at the 3,903-3,885 meter depth of the Sub-Kirmakinian Suite, where a number of geologists expected a gas-condensate pool.

What is the economic importance of this discovery? Up to now exploratory drilling was conducted in only two formations in this field: the gap suite and the 10th horizon. Now there is another high-yield formation. And this means new prospects for increasing oil recovery levels in the Caspian Sea Shelf during the 13th Five-Year Plan period. A great deal of work lies ahead for the drillers, drilling platform and pipeline builders.

For 10 months, a cost-accounting brigade under drilling foremen Akif Kurbanov and Elchin Ashurov, of the Bukhta Ilyicha Offshore Exploratory Drilling Administration, has been drilling this well at high speed. The acceleration was 15 days, the monthly drilling rate came to 403 meters, instead of 337 meters, at a savings of R68,000. The brigade was regularly awarded bonuses.

In May the Bukhta Ilyicha Offshore Exploratory Drilling Administration completed 5 wells, thus fulfilling the half-year plan ahead of schedule.

12659

#### **Exploratory Well Drilled at Arzu**

18220085c Baku VYSHKA in Russian 5 May 88 p 1

[Article by M. Mirzoyev, chief of the geological department of the Administration of Offshore Exploratory Drilling with Special Equipment: "The Search for Mesozoic Oil"]

[Text] Following completion of repairs on the base berth of GosNIPi's [State Scientific-Research and Planning Institute] Gipromorneftegaz [State Offshore Oil and Gas Industry Enterprises Planning Institute], the 60 Let Oktyabrya [60th Anniversary of the October Revolution], a self-erecting floating drilling rig [SPBU], was towed by tugs to the Arzu area's Exploratory Well No 2 drilling site. The crew's task was to determine the oil and gas presence in the Mesozoic deposits. They will drill through 5,800 meters of rock.

The SPBU was towed to the Arzu area by the Kaspneftegazflot [Caspian Sea Oil and Gas Industry Fleet] ships Omsk and Dnepr. The rig was brought out to the drilling location by the crew of the ship 40 Let VLKSM [40th Anniversary of the All-Union Komsomol], working together with specialists from the Offshore Geological Exploration Office and GosNIPi Gipromorneftegaz. The entire course of operations was directed by Ramiz Rzaev, MURB chief of technical operation.

"The Arzu area is located in the northwest portion of the Apsheron Archipelago," said K. Kerimov, chief geologist of the Offshore Drilling Operations Administration with

STS [possibly Sanitation-Transport Vessel]. "The presence of oil and gas in the pay-zone deposits of the Apsheron Sill, and the commercial accumulations of oil and gas-condensate in the Mesozoic rocks of the adjoining Caspian-Kubinskiy area are improving the Arzu area's prospects as well. In order to solve this important problem successfully, we plan to conduct a full complement of field-geological research and take core samples from Well No 2. Mesozoic deposits were previously exposed by Well No 2 in the Andriyevskiy-East Bank area. That well was drilled to a depth of 5,042 meters by the Khazar SPBU, and exposed the 690-meter-thick Mesozoic formation. Unfortunately, no oil reservoirs were found. But there is still hope. The results obtained from drilling this well are helping to clarify this matter.

The oil prospectors plan to drill through 3,500 meters of rocks. The 60 Let Oktyabrya drilling crew reviewed the obligations they took on in honor of the 19th All-Union Party Conference and decided to increase them, giving their word to drill 100 m above the plan, to increase their production time to 96 percent, to increase their labor productivity by 2.5 percent, to save R80,000 and to take every possible measure to keep from polluting the sea.

12659

#### **FUELS**

##### **Oil Pumping Equipment Production Problem Cited**

18220080 Moscow SOVETSKAYA ROSSIYA in Russian 15 Jun 88 p 2

[Article by N. Milanich, director of Bulanash Machine-building Plant of Uralmash Association (Sverdlovsk Oblast): "I Do Not Shirk the Blame"]

[Text] Why has a large department for producing pumping equipment, which has been accepted for operation, been inactive for half a year?

Blue-collar workers and engineers of our plant recently have been asking me the very same question: "Do West Siberia's oilfield workers need pumps for drill rigs?" And they nod eloquently in the direction of a brand-new department, which at the end of last year was quietly and peacefully accepted for operation but until now has not been producing its main product—pumps. And it is not clear when it will start to produce them: the level of its readiness for operation is beneath any criticism. You, it stands to reason, will ask about the motives that persuaded the plant's specialists, including even me, to sign the state acceptance commission's report. This was not an easy step. After long hesitation we consented to a witting violation of the acceptance rules. We discussed it this way and that. Judging by everything, we, it turned out, were extreme in any case. Of two evils, we naturally chose the lesser.

And so why did we resort to deception? I shall try to explain.

At the end of the 1970's a decision was made to build departments for producing drilling pipe at the Bulanash Machinebuilding Plant of Uralmash Association. The single engineering design, according to which the department capacity was 1,230 pumps per year, was presented by USSR Gosplan, which proposed to divide the construction project into startup lines. Mintyazhmash [Ministry of Heavy, Power, and Transport Machine Building] concurred, for expensive Finnish equipment had already arrived at Bulanash. And although it was well known that without facilities for heat treatment and galvanized coating it is impossible to produce even one pump, nevertheless the construction of a first line with an annual capacity of 380 pumps was firmed up in the plans, counting on the association's prime plant to make up the shortfall.

This happened in 1980. And a year later authoritative organs issued a decision which named the deadline for introducing the complex of the first line. But time passed, and the contractors carried out the party and state decision unhurriedly. And when the designated deadlines were left behind, a new decision was adopted.

The year 1985 passed. It is frankly acknowledged that we undertook the job in the post-April period, having rolled up our sleeves, as they say. Now, it was thought, no one will take liberties with national-economy plans, especially those connected with development of the Tyumen North. Just as was proposed to the client, orders were sent for the equipment. It was hoped that the machine-tool building plants would support, over the entire range of items, the facility that was due for early start and was, moreover, under the Central Committee's control.

Alas, we waited in vain. By stealth and at a leisurely pace, a third of the machine tools were excluded from the complex due for early startup and were replaced by less progressive machine tools. Workers of the oblast office of USSR Promstroybank [Industrial Construction Bank] gave the alarm with all their might about the discrepancies in the complex, which had proven technology and was to be started up early, and the Sverdlovsk party obkom was apprised of the critical situation in regard to the ministry's outfitting of a most important construction project with materials and equipment. We told the association's and the central organ's management about the very same thing. No changes were observed. And when our plant's chief engineer refused two years ago to sign for an utterly truncated startup complex, the association calmly did it for him.

At the start of last year, the year for startup, Glavsreduralstroy [Main Administration for Construction the Urals Economic Region] tried to induce more active work, representatives of the party's obkom became regular visitors at the construction project, and numerous conferences and staff meetings were held. And we racked

our brains about how to supply the builders and installers with the equipment. Twice we appealed to USSR Gosplan Chairman L. A. Voronin, who twice ordered the local supplying organizations to outfit the facility due for early startup. R. N. Arutyunov and V. A. Aleksandrov were Deputy Ministers of Heavy, Power and Transport Machine Building when we had the problems. But despite everything, Minstankoprom did not fill Bulanash Machine Building Plant orders. We pressed for fines of 300,000 rubles against enterprises of this ministry. We received, it is true, barely half of it, but it is not the negligent suppliers' paper rubles that we need—we need machine tools.

When it became clear that our desire to outfit the department completely was in vain, and the builders just would not manage to do so on time, I went to Moscow. At that time, in October, it seemed to me that I must tell Gosplan honestly also about the impossibility of operating the semifinishing department, which is needed to solve the problem, and, if possible, about the scale of the startup complex, so they will not whittle it down. I considered that the truth, though bitter, should have been told and well received by the Gosplan and government offices of the managers of Minuralsibstroy [Ministry for Construction in the Urals and West Siberia Regions of the USSR] and Mintyazhmash. However, at the conference my proposal was not accepted. Minister of Construction in the Urals and West Siberia Regions S. V. Bashilov vowed: "I will chase the whole Urals to Bulanash, and I will build the department," and our minister, V. M. Velichko, did not promise anything; he just said: "I will not go to Ryzhkov; if you are so daring, then you go yourself."

We did not go, most likely we were not brave enough, but a teletype message with an appeal for help was sent to I. S. Silayev, Chairman of the USSR Council of Ministers' Bureau for Machinebuilding, and to Gosplan Chairman L. A. Voronin. We never waited for an answer. In brief, the deadline for turnover of the startup complex was approaching. And although it was plain to the unaided eye that it was not ready for operation, all the commission members, except for the chairman of the local division of Promstroybank, signed the report. At the end of January it was approved: the managers of Promstroybank and Mintyazhmash settled on an arrangement for two hundred pumps.

Why did I sign the report, why did I deceive the state? Not only because the enterprise would have to pay more money from the material incentives fund as penalties. Not only because I was tired of paying half a million rubles each year for idle imported equipment, while these expenditures fell to the prime operating cost of the plant's output, and here I argued purely as a producer: in order that the sensitive automation of NC machine tools would not break down, in order to be sure that these machine tools would not be taken away part by part, we decided: let the better machine tools be on our books, possibly we will be able to assign personnel to look after them.



I understand that I acted incorrectly. I cannot relieve myself of guilt. But what is a supervisor to do in such a situation, which is so typical for construction projects due for early startup? I confess honestly, I had a glimmer of hope for help from the supervisors concerned, who knew about the deception. I was mistaken. No one, it appears, is concerned that two decisions of directive organs were in essence ignored, no one will take responsibility for the overdue construction project. Is that not why the builders are now working fair to middling? The position of party organs is incomprehensible. Secretary of the Sverdlovsk party obkom S. B. Vozdvizhenskiy, who came to the plant five or six times last year, forgot the way to our plant after the window dressing of the department's turnover. The ministry, which reported startup of the capacity and which supposedly will produce 200 scarce pumps, also was calm.

Thus, the impression has been created that West Siberia's oilfield workers are getting along completely without the Bulanash plant's drilling pumps. Why then was the construction undertaken, why was the money and effort expended?

11409

#### **Problems of Plant Unable To Make Drilling Rig Pumps Noted**

18230068 [Editorial Report] Moscow SOVETSKAYA ROSSIYA in Russian for 29 July 1988 carries on page 3 an 800-word article and commentary entitled "Behind the Fog of Details." The article, written by Deputy Minister for Heavy, Power and Transport Machinebuilding V. Plisov, is in response to a letter, published by SOVETSKAYA ROSSIYA, from N. Milanich, director of the Bulanash machinebuilding plant, part of the Uralmash association. Milanich had complained that a new shop for producing pumping equipment had been standing idle for 6 months due to "interdepartmental lack of coordination." Deputy Minister Plisov responds to this complaint by pointing out that the ministry had decided to accelerate the construction of the plant by building two lines. He then includes in his rebuttal all the facts and figures on the number of pumps produced in

each line, cost of the facility, future profits and capacity of the plant and so forth, but none of these figures directly addresses Milanich's problem. SOVETSKAYA ROSSIYA's commentary is as follows:

"Here is the situation. The plant director is sounding the alarm: the state of affairs in the still unbuilt shop is bad and he is not able to produce pumps for drilling rigs. He himself is guilty—with the blessing of the ministry and the association he hurried to sign the deed of acceptance, counting on help 'from above.' But there was no help and the man only hurt himself. I am not taking the blame from myself [the director stated] but help stop this important matter from breaking up.

"The department, answering with official dispassion, reports that nothing unusual is going on. It is simply (so that it would be more comfortable to account for assimilation of capital investments) that in the beginning they divided the new construction into two lines, and then they divided the first line into two startup complexes. When this division did not save the bookkeeping, they decided to accept the facility with temporary, roundabout technology. The estimates, schedules, equipment and squabbles of the customers with the contractor were further scrupulously enumerated. What is not understandable, however, is why all these multi-faceted details? Does the author of the letter—the plant director, not know all this, so that he has to be enlightened by the offices in Moscow?

"The technical-economic details have drowned the essence of the question posed: when will the shop, brought on line 7 months ago, begin to produce pumps for drilling rigs? If not the 1300, as planned in the allocation of state capital investments, if not the 360, expected from the first line, if not the 200, per the introduction of the first startup complex, then at least the 70 outfitted pumps, whose manufacture was planned for this year. Since Deputy Minister Plisov, apparently, is not completely prepared for such specifics, we will address the question personally to the minister, V. Velichko. Perhaps he will add more clarity. Why, after almost 10 years since beginning construction of the enterprise, is it not able to work at even 5 percent of its design capacity?" UD/325

## LABOR

### Goskomstat Statistics on Labor Turnover Viewed 18280069a Moscow IZVESTIYA in Russian 6 Jun 88 p 2

[Article by Yu. Rytov: "At Their Own Pleasure"]

[Text] USSR Goskomstat [State Committee on Statistics] has summarized the results of studies concerned with the reasons for worker turnover at industrial enterprises and in construction organizations.

It is recalled that an absolute release of workers is taking place at the present time in the production branches. During the first quarter of this year alone, for example, the number of people working in industry, transport and construction declined by 400,000. Thus, just as in the past, one sees the announcement at the entrance to any enterprise "Workers needed."

Meanwhile, the turnover in workers is still quite considerable. In both industry and construction it exceeds 11 percent. Eleven out of every 100 workers annually "choose" to leave their enterprises. What is the reason for this?

Here the summary by Goskomstat provides a picture which can scarcely be considered as pleasing to the eye. The dissatisfaction of people with their work, wages, production organization and social conditions is still quite great. These are the factors which prompt the workers to turn to their personnel departments with announcements of their desire to depart "at their own pleasure."

Roughly 22.6 percent of the workers in industry and 11.4 percent of those in construction stated that they changed their work positions for the following reasons: dissatisfaction with their working conditions and professions and their being assigned tasks not related to their specialties. Approximately 5.5 percent of those engaged in industry stated that they left their jobs because of heavy physical and monotonous work. Dissatisfaction with their work regimes (nighttime shifts, irregular days off and so forth) were cited by 4.6 percent of the workers. Worker utilization for tasks unrelated to their specialties—cited by 1.2 percent. Non-rhythmic operations (rush work, frequent idle time and overtime work)—by 1.2 percent. In construction, these figures are respectively: 4.4; 1.5; 3.5; 1.1 and 0.9 percent.

A second large group of reasons for worker turnover—dissatisfaction with housing, cultural and domestic conditions. In industry it accounts for 16.9 percent and in construction—19.1 percent. And here in turn there is a type of gradation. The absence or shortage of housing

space—9 percent in industry and 11.9 percent in construction. The remoteness of living areas from the workplaces and poor support in the form of transportation—7 and 6.2 percent respectively. A lack of space in kindergartens and nurseries—0.5 and 0.8 percent.

Just as in the past, the proportion of people changing work because of dissatisfaction with the amount of their earnings is considerable: in industry—17.4 percent and in construction—20.3 percent.

A natural question arises: how has the effect generated by these various factors on worker turnover changed over the past few years? Compared to the data obtained from previous studies, analysis has shown that no substantial change has taken place in the distribution of those who left their positions based upon the principal groups of reasons.

It is obvious that all of these phenomena must be evaluated in association with the profound economic and social processes presently taking place within the country. The independence of enterprises is expanding. New forms for organization and wages are being introduced into operations and the system of wage-levelling is being eliminated. The solutions for social problems are now being viewed, to a greater degree, as being dependent upon the final operational results of collectives.

What effect can these processes have on personnel turnover? If you please, nobody can furnish a simple reply to this question. In any case, it would be naive to assume that a cost accounting and self-financing regime will immediately ensure stability for the collectives. To the contrary, offended and dissatisfied collectives are appearing: groups which have only money as their goal, even unearned rubles.

At the present time, another phenomenon is arousing considerably greater anxiety. A rather large number of production workers are not satisfied with the speed at which new innovations are being introduced into operations at their enterprises or with the discrepancies between the declared norms for production life and the true status of affairs. They wish to work at maximum capability and to earn according to their labor. However, whether we like it or not, they have an alternative. By virtue of their own efforts, they can either restore order in their own house, overcome the inertia of old approaches and utilize fully the rights extended to their collective, or they can seek out another enterprise where everything has already been done for them.

It is my opinion that job changing and population migration are in principle completely normal phenomena, provided they take place within reasonable limits.

For example, what is wrong with a situation in which people return from a city to a rural area in the belief that they will thus realize more advantages both for themselves and for the state? Or when a portion of the work force at an enterprise is released in connection with a conversion over to new forms for labor organization?

However, there is also quite another situation. An individual leaves his place of work in the belief that better conditions await him in another area. He is dissatisfied with his present position. In this instance, he "votes with his legs" against a lack of discipline and disorganization.

7026



## ORGANIZATION, PLANNING, MANAGEMENT

### Uzbek Machine Building Sector After One Year of Gospriyemka

18230053 Tashkent *EKONOMIKA I ZHIZN* in Russian  
No 4, Apr 88 pp 7-9

[Article by M. Kandaurov, chief of the machine building department in the Uzbek SSR Gosplan, and M. Alimov, deputy chief of the Uzbek republic administration of the State Committee for Standards: "State Acceptance: A Year Later"; first paragraph is *EKONOMIKA I ZHIZN* introduction]

[Text] A year has ended, during which more than 1,500 of the country's enterprises worked under a fundamentally new form of nondepartmental control—state acceptance [gospriyemka] of products. We had 33 of them in Uzbekistan. A large portion of them are enterprises in the machine building complex. In this branch, state acceptance embraced 100 percent of the heavy and chemical machine building items produced in the republic, 82 percent of the engineering industry items, 84 percent of the agricultural machine building products, and more than half of the machinery for the light and food industry. What effect has the introduction of the new form of nondepartmental control had on the work of these enterprises?

The shift was not easy. It is sufficient to say that in January 1987—the first month of operation of state acceptance—78.6 percent of the products were turned over on their first submittal by the republic's enterprises. In December, this indicator reached 92 percent. The Tashkentkabel [Tashkent Wire], Namanganskiy Transformer and Samarkandskiy Elevator Building plants; the Almalykskiy Mining Metallurgical Combine; and the Tashkent Furniture Production Association have steadily handed over more than 90 percent of their products on the first submittal. The Uzbek Refractory and High-Temperature Metal Combine and the enterprises producing mineral fertilizer are handing over almost their entire output on their first submittal. The following fact is evidence of the high effectiveness in the activity of the new control service's workers: Last year, state acceptance did not accept products valued at 1.3 million rubles. Items valued at 191,000 rubles were once and for all rejected at the Akhangaranskiy Stroyplastmass Combine, and items worth 69,000 rubles—at Samarkand's Red Engine Plant.

There are quite a few examples testifying to the overall rise in the quality level of goods and equipment being produced. The number of descriptions of products, certified as being in the highest quality category, has grown in many of the republic's machine building complex enterprises; the entire output of the Kompressor and Namanganskiy Transformer and Machine Building

plants is in this category. The Kompressor, Samarkandskiy Elevator Building and Chirchikskiy Transformer plants have increased the percentage in their total production volume.

The tactical scheme of state acceptance workers is to insure the products' complete compliance with the requirements in technical and norm instruction manuals. However, along with the engineering services of enterprises, they are also solving an important strategic task—they are raising the technical level and quality of items. Their goal is to exceed the technical and economic indicators of the best world achievements. For example, the Seal of Quality was awarded last year to the self-contained transformer substation of the Chirchikskiy Transformer Plant. This product exceeds the indicators of similar items produced by the Fuji Electric firm (Japan) in power, specific area and weight. The dynamic and thermal stability currents of the Chirchik substation are lower than the Japanese ones. The polyvinylchloride insulated wire for electrical assemblies, which the Tashkentkabel Plant produces, is not inferior to the requirements in Great Britain's standard for electrical indicators and design execution. The State Seal of Quality has also been awarded to it.

One could continue the listing. However, it is necessary to admit at the same time that these phenomena still have an isolated character. In machine building complex enterprises, products, which correspond to the world's technical level, represent 23.1 percent of the total volume. What is impeding the machine builders? What has become an obstacle on the path of raising the technical level and quality of items? State acceptance has suggested the answer to these questions. In part of the plants, such as Tashkentskiy Electrical Engineering, Uzbekkhimmash [Uzbek Chemical Machinery], Tashtekstil'mash [Tashkent Textile Machinery], Tashkentkabel, Samarkandkhlompomash [Samarkand Cotton Machinery], and Andizhan's Elektrodvigatel [Electric Engine], the technical level and quality of items are inferior to the world's achievements because technological equipment is being updated slowly, smoothness of production is not being assured, and the technical control service has not been completely restructured.

Engines from Andizhan's Elektrodvigatel Plant, certain types of panels from the Tashkentskiy Electrical Engineering Plant, a number of types of wire from the Sredazkabel [Central Asian Wire] Production Association, and tractors and trailers from the Tashkentskiy Tractor Works Production Association do not correspond to the level of the world's achievements because of the low quality of materials and component parts, violations of technological discipline, design shortfalls, and the unsatisfactory organization of production. You see, complex systems for managing product quality have been introduced into all of these enterprises. However, they have usually been introduced in a formal matter, and the effectiveness of their functioning is low. A system began to operate in the Tashkent Furniture

Association in 1979; however, the amount of products with the Seal of Quality nevertheless decreases here annually and the plans for producing products with the highest category of quality are not being fulfilled. That same year, a complex system for controlling product quality was introduced into the Sredazkabel Association. Here, a significant portion of the items are still only in the first category.

State acceptance agencies are not only revealing the weak links in the technological chain, they are actively participating in the development and systematic monitoring of the organizational and technical measures to improve production and raise the technical level and quality of products. The first positive results of this work exist.

In the opinion of users, the quality of the P-76-5M6 spinning machine produced by the Tashtekstil mash Plant has been improved. The yarn made using this equipment is first grade, and its breaking point is lower than the norm. The machine builders have raised quality in the manufacturing of the machine's frame. When assembling the equipment, the amount of fitting and adjustment work has now been reduced as has the labor-intensiveness of assembly. The improvement of the manufacturing processes for grooved cylinders has permitted the level of line radial-runouts to be brought up to the norm and additional adjustments to be eliminated. The machines have begun to be delivered as a complete unit.

In accordance with the recommendations of the state acceptors, a 100-percent examination of manufacturing processes was conducted at the Tashselmash [Tashkent Agricultural Machinery] Plant. The examination revealed "sore points" and helped to plan measures to improve manufacturing processes and raise quality. In the enterprise, 10 machine tools for testing hydraulic cylinders, pipelines and hydraulic joints were certified. In the gear shop, four machine tools with on-line gauging instruments for grinding gear units have been started up. Untested measuring systems have been removed from machine tools with numerical controls.

State acceptance workers are actively influencing the progress of the technical re-equipping of the Tashkent Tractor Works Production Association. Approximately a thousand items of new and highly efficient equipment have been installed in the enterprise's workshops, and the certification of work positions has been carried out in all subunits. This has permitted the freeing of more than 3,000 square meters of production area, on which the production of units and items—previously manufactured by other enterprises—has been organized.

However, the state acceptance workers have still not undertaken the task zealously everywhere. They often display insufficient exactingness towards the directors of plant services and do not use the rights that have been

granted to them. Time has shown that difficulties, which are typical of production, are arising among the nondepartmental control agencies.

Primarily, these consist of low rates of modernization for technological equipment. In the Tashkent Tractor Works Engineering Plant, approximately 30 percent of the machine tools and instruments have been operating for more than 20 years; and in the Tashtekstil mash plants and the Samarkand Tractor Works Elevator Building plants, more than half of the machine tools and devices are obsolete and worn out. At the same time, the orders for advanced equipment have been satisfied by only 14-20 percent during the last two years. That is why the technical condition of the pool has practically not improved when compared to 1985. The quota for annually modernizing up to 45 percent of the main producer goods and writing off 6-8 percent of the obsolete equipment in the machine building complex is not being fulfilled. Many enterprises are not being completely supplied with measuring and testing systems.

Another problem is the low level of technological discipline. A number of enterprises have approached this question strictly and have increased exactingness. This, however, has led to an increase in the labor-intensiveness of work. For example, it grew by 15-20 percent in the Tashkent Tractor Works Association, by 13.5-15.5 percent in the Podyemnik plants, by 10-15 percent in Tashselmash, and by 30-40 percent for individual operations in Tashtekstil mash.

Unsatisfactory logistics—untimely deliveries and the low quality of arriving raw materials, materials and component parts—is creating great difficulties in the work of the enterprises. It is necessary to legalize many substitutions and this leads to the disruption of approved manufacturing processes, interruptions and irregularity of production. Two-thirds and more of the products are produced and handed over to the technical control department and state acceptance during the last 10 days of the month: 66 percent in Podyemnik associations, 70 percent in the Tashkent Tractor Works, 60 percent in the Tashkent, 62 percent in Uzbekhim mash plants, and 76 percent in Tashtekstil mash. Under these conditions, the technical control department inspectors and the state acceptance workers are forced to lower quality requirements.

Because of the low qualifications of technical control department workers and the failure to staff these departments fully, the prevention of defective output is being carried out poorly and instances of violations of technological discipline are not being suppressed. For example, in the Tashselmash plant, incoming control is not being carried out for the entire product list. As a result, the number of claims increased by 9.6 percent last year. This occurred only because of a worsening in the quality of iron castings delivered by Glavmashkhlopkovodstva [Main Administration for Cotton Production Machinery] plants. The plant stores finished products with

violations of the norm and technical instruction manuals: rejects along with good products. Guilty parties are not completely compensating for losses here.

Despite the introduction of state acceptance, the number of claims has increased twofold in the Tashkentskiy Tractor Works Association. Products, whose total cost exceeds the 1986 level 1.5-fold, have been returned to the enterprise. The reasons are the same. The technical control department service here is only staffed by 82 percent of the official number and if one proceeds from the estimate of the labor-intensiveness of control operations for manufacturing processes—then it is 64 percent. Moreover, only two percent of the specialists have a higher education; and 19 percent—an incomplete secondary one.

Since 1 January 1988, state acceptance has been introduced into another 12 industrial enterprises in our republic as well as in the construction of housing and social projects in Fergana. It has begun its second stage. Last year's experience testifies that those enterprises, which had prepared carefully and had conducted an "inspection" of manufacturing processes and concerned themselves in advance about fully staffing the new control service, underwent a less painful shift to the new form of nondepartmental control.

Now, state acceptance embraces 100 percent of the products produced in second stage enterprises. The picture is a rather motley one: In some, the entire output is accepted on its first submittal; however, there are others where only half survives the examination. Poor preparation is having an effect. Thus, the Tashkentskiy Paint and Lacquer Plant is experiencing a sharp shortage of filter cartridges and 0.2-type ochre, and funds for micro-talc have not been allotted to it. These are objective difficulties. Here, however, the existing strength of the technical control department does not assure the monitoring of manufacturing processes during three shifts—a fact which testifies that all reserves for improving quality are still not in effect. It is difficult to guarantee the high work efficiency of state acceptance bodies in Namanganskiy Cotton Cleaning Plant No 4 where the laboratory of the produce procurement centers only has one set of technological equipment and control systems.

The staffs of state acceptance agencies are being filled slowly in a number of enterprises. There is an especially large shortage in the Uzbekskiy Metallurgical Plant and the Ferganskiy Chemical Fiber Plant. Such sluggishness will undoubtedly affect the results of the enterprise's production activity.

A year of working under state acceptance conditions has shown that the new form of nondepartmental control is an effective lever for raising the quality and technical level of the products produced and the efficiency of social production. Even today, it is important to analyze the experience that has been accumulated by the pathfinder enterprises, to bring to light positive items, and to

study the reasons that are impeding the effectiveness of control so that production collectives, who have just shifted to state acceptance or who are preparing to shift, can take steps in a timely fashion to overcome all difficulties successfully.

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08802

#### Reader Supports Conference Speech of V.P.Kabaizze

18230066 Moscow SOVETSKAYA ROSSIYA in  
Russian 17 Jul 88 p 3

[Letter by V. Kritskiy, CPSU member, from Vladivostok, under the rubric: "How to Talk About the Minister"]

I was surprised by the angry commentary from First Deputy Minister of the Machine Tool and Tool Building Industry [Minstankoprom] to V.P.Kabaizze's speech. I don't understand what kind of sedition V.K. Papanov found in it.

Our industrial ministries, including Minstankoprom, are at fault. Without looking back we are exhausting our natural resources, sending energy sources and raw material abroad. Conference delegate Yu.A. Kvitsinskiy, our ambassador to the FRG, provided this data: Our exports to this country are small, 5 billion rubles in all, and of this the share of machines, equipment and means of transportation is only 50 million rubles. We pay for our imports from the FRG with oil, gas, timber, and diamonds. This is approximately the same in our trade with other developed countries.

But the machine tools and equipment of Kabaizze's association enjoy demand and are well paid for. Papanov's subordination obliges him to refute these negative references, but he does this unconvincingly. Ophthalmologist Fedorov [another speaker at the party conference] is also dissatisfied with the multiplicity of ministries. In order to wash a shirt, he said, we have a ministry. The coincidence of Kabaizze's and Fedorov's views is explainable: both of them have been freed from the dictates of the sector staffs. The first received relative, and the second complete freedom of action.

The sharp reference to his ministry extremely disturbed Papanov: "If the minister will not catch mice, we will not feed him." This about a minister, a member of the government! Such intolerable liberty, such an inadmissible extreme: to compare the minister to a cat! It would be another matter to say: if the lion will not catch an antelope...

UD/325



## ROBOTICS

**Design, Application of Walking Robots Described**  
18230070 Moscow SOTSIALISTICHESKAYA  
INDUSTRIYA in Russian 27 Jul 88 p 4

[Article by V. Lagovskiy: "A Robot, Walking Along the Wall"]

[Text] How do you paint a television tower? This problem arose in Riga. The sun, wind, and rain had pretty well worn out the tower's covering. Time had come to renew it. To paint by traditional means? Long, complicated and expensive. An unexpected decision was found. A robot, which walks along a wall, prompted it.

A strange device was hanging on the wall of the laboratory. More precisely, it stood, on the wall, resting on its pink "paws." Perhaps it was glued on? I tried to move it, that didn't work. And then the device itself lifted up its "paws" and grasped higher with them. It lingered slightly and then moved up.

Half of the institute ran to look at the first such machines, smiled doctor of technical sciences V. Gradetskiy.

Scientists at the USSR Academy of Sciences Institute of Mechanical Problems [IPM] posed the task of creating a robot, capable of moving along vertical surfaces. And they moved consistently toward this goal, from the simple to the complex. At first the device moved only in a straight line, obeying a strict program. But recently during tests in Baku the latest model demonstrated different types of turns, moving along the wall of a gas tank. The operator relayed commands from a control panel.

Meanwhile, in the laboratory the robot was already moving across the ceiling. One of the associates jumped up and grabbed the multi-legged machine. The robot did not break away, but held him.

The device holds onto the surface very strongly, says test group leader and candidate of technical sciences M. Rachkov. It is able to carry up to 80 kg.

How can the robot cope with such weight?

It consists of two platforms, explains V. Gradetskiy. A lower and an upper. The platforms can move and turn independently of one another. Each one has two pairs of legs. Four legs hold the robot on the wall and four move it forward. That's how it walks. The whole mechanism works on the action of compressed air. We tested various methods. It was intended to make the legs magnetic, but then the machine could only move on steel walls. And it turned out that it rejected the claws, on the other hand,

because they did not grip the metal. We decided on vacuum claws although many people doubted their effectiveness. They thought that such suction devices could not support a large weight.

In reality, the robot might have remained only a marvelous toy, but the original idea helped. The scientists made the base of the claws out of metal. The pink polymer "paws" are only edgings, which prevent air from getting inside. Pressure tightly held the metal to the wall, and the friction between the platforms did not allow the legs to slip. This is the reason for the high carrying capacity.

But what is the need for a robot to walk along the wall and ceiling? First of all it is needed for fires. Scientists of the USSR Academy of Sciences IPM and specialists from the Interbranch Scientific-Technical Complex "Robot" and the All-Union Scientific Research Institute of Fire-Fighting Equipment are creating this unusual machine for fighting fires. It can carry material to places where a person cannot get to. The robot will also be capable of carrying means for protection to people in burning buildings.

The main element of the machine which walks along walls is fire. But ask any specialist and he will name dozens of other uses. For example, for almost two months there were tests of large volume [robots] for carrying fuel. They can climb scaffolding, equipped with instruments, and people control the welding joints. One robot can cope with such a task in a few days. There are other labor-intensive operations, such as cleaning the body of a ship. This is within the capabilities of walking robots.

In essence the scientists have solved the main problem—development of an unusual means of transportation. Soon the robots will even be able to climb brick work—special claws are planned for this. A machine can be outfitted with any kind of technical equipment. While I was there a robot took a burner and, holding it to a metal sheet, began to cut an accurate hole in it.

Having learned about the unusual capabilities of the machine, specialists from the Latvian Ministry of Construction were interested:

"Can it hold a paint sprayer in its 'hands'? We need to paint a tower."

Lets try it, the specialists answered. And they began to teach the robot to become a master painter.

At first glance this is a simple matter, says V. Gradetskiy, but we had to carry out special experiments. We developed a strategy and tactics. We sent two of our associates to Riga. A. Abarinov and F. Zinovyev are preparing tests. We will choose which is better: to use one robot, having it walk upward in a spiral, or to program several machines, which will climb simultaneously from various sides. We also have to decide how to deliver the paint—

with a gravity feed from above or under pressure from the ground. We are planning to begin work in the fall. We estimated that it should be 10 times cheaper.

Robot-firefighters, robot-painters—there are already prototypes of such machines. On line is a robot for fitting work at great heights. Assembling, welding, cutting, feeding, turning—manipulators in plant shops are coping well with these operations. That means they will know how to do these on the walls. And when they are successful in fitting the machines with radio controls, a

unique type of "brigade contract" will become a reality. Imagine, a command goes to several robots at once. They themselves divide the responsibilities between each other, each fulfills its own operation but they are subordinate to a unified goal. During this robots can exchange information and help one another.

Who knows, perhaps other projects will appear. Work is continuing.

UD/325

## RAIL SYSTEMS

### Ministry Responds to Criticism on Accidents

18290126 Moscow SOVETSKAYA KULTURA in Russian 14 Jun 88 p 6

[Article by A. Mostovoy: "Between Truth and Falsehood—The Third Time on the Same Thing"]

[Text] This paper has come out twice on the score of railroad derailments at Kamenskaya Station in August of last year. And whereas in the first two articles the discussion concerned shortcomings in the MPS [Ministry of Railways] system and the reaction of readers to what had happened, this time I would like to touch on a different topic: the attitude of the MPS management to the criticism expressed by newspaper readers and the author of the article. This discussion seems especially interesting in view of the fact that all of the questions connected with safety at MPS were expressed in two versions. One and the same problems were set forth in newspaper features by the author of these lines and the same questions have been asked in a film made by the youth editors of central television. The ministry reacted quickly to the newspaper features. A reply was received from Deputy Minister V.S. Arkatov. It is a somewhat different story, however, with the film, which the MPS management has seen twice. That is the subject of the discussion.

After the derailment at Kamenskaya, in Gardabani near Yaroslavl, and other accidents there was no doubt on the railroads of MPS that the situation was serious in rail transport. And that is what the authors of the film thought in making their work. I would like to show the extent of the danger threatening all levels of MPS using the example of one tragedy. As the electricians say, no system can be more reliable than any of its links. This thought guided the authors of the film. And as the director and an author, I was invited to meet with the MPS management, who were quite disturbed: had we been able to show all of the misfortune and problems of rail transport at a sufficiently high level of criticism and glasnost? I had already read the reply of the deputy minister regarding the article "Components of a Derailment." In reply, it was stated in particular that "The management of the Ministry of Railways is troubled by the existing situation with safety assurance in train traffic and is attentive toward criticism expressed by citizens through your newspaper and other periodicals. Answering the main question posed in the article—which of two methods of fighting the shortcomings—we, of course, are in favor of the path of glasnost and a nationwide discussion of shortcomings..."

That is how the answer of the deputy minister to the editors began. With all of the phrases from the dictionary of restructuring, at the most contemporary level. After these words, as after a declaration of love, one wants to believe all the best of mankind and, first and foremost, in the safety of rail-transport traffic. Just one thing troubles

me: the reply did not contain a single word on the score of the security track that was planned to be built at Kamenskaya Station and had not yet been begun. (This was mentioned in particular in the article.) There was also no mention of the garages impeding the construction of the track—the author had also written about that. The deputy minister was also silent about the poor portable radios our locomotives are equipped with. He declared the question of glasnost to be the most important one, as if MPS had only now, in the third year of glasnost itself, just found out about it and consented to it. But after all, I thought, you can't say everything in a single letter. And most important anyway, as Comrade Arkatov correctly writes, is the fact that MPS has entered onto the path of glasnost and nationwide discussion of shortcomings.

In order to convey most fully the essence of the conversation that took place at MPS, we must re-create the situation. The conference hall of the ministry was almost half full, and over forty managers invested with all sorts of railroad authority had come to see a film about themselves. They sat in their gold-embroidered uniforms around the television screen. And there was something touching in this, the more so as three deputy ministers headed up this unique quorum. And then came the first frames of the film. The heroes of the picture—the simple workers, railcar inspectors, dispatchers, engineers, conductor G. Turkin of Train 335 (the same one who pulled the emergency brake), train engineer V. Britsin, over 20 people—created in their stories a collective image not only of the derailment that occurred, but also, more importantly, the chaos of mismanagement and disorder that ruled at MPS at the time. Likhaya Station inspection team chief N. Kovalenko artlessly, as simple people do, related how not long ago the depot where he inspects trains was poorly lit. It was difficult to get around because of the dirt and puddles between the rails. The situation changed, he said, right away after the derailment, and they were supplied with ballast and lighting.

Candidly, as people who have lived through a great tragedy, the workers related the shortcomings in the operations of MPS services. The engineer of Rostov-Moscow Train 19, V. Yurov, demonstrated the poor work of his portable radio and its unreliability. State Prize Laureate A. Semiryazhko related that despite the decision of Minister N. Konarev to build a safety siding at Kamenskaya Station, the work had not yet begun. The garages that are standing on the spot where the safety track should go were shown.

Everything that was said in the film corresponded completely to the words on glasnost that were written in the reply to the editors of V. Arkatov.

It seemed that after the final frames of the film, one could have expected passionate if not friendly applause. But not at all. That which followed the viewing was so interesting and so strongly contradicted the words on



glasnost and perestroika that the author can recall it without forcing it, the more so as he recorded some of those who spoke regarding the film on a studio microphone.

Here, for example, is what was said by R. Rodionov, first deputy chief of the USSR MPS Traffic Safety Main Administration: "This film cannot be shown to television viewers. Why frighten the people? People write letters to MPS and demand explanations of what is going on here now. And you want to show everything on the nationwide screen. There's no need to frighten the people. No need."

"But after all, you frighten them when derailments occur," the author nearly objected.

"What is the purpose of your film? What do you want to say with it?" MPS Party Bureau Secretary M. Podkolzin entered the debate at the same moment.

"Our goal is for everyone to help MPS," the author said naively. He thought he was being toyed with nonetheless and tried to read the letter of Comrade Arkatov and his words on glasnost, on the fact that "an analysis of the facts by journalists, jurists and yes, the simple readers, helps us to see the problem clearly not from a narrow departmental viewpoint, but from the position of the citizenry."

But no one listened to the author. Recalling that it is easier to get by in familiar surroundings, R. Rodionov developed the idea that what is said in reply to the editors is one thing, and what is said to television viewers on the score of shortcomings was something else.

"Well now, that means that you feel that even today we can't speak of this to television viewers?" the author asked him directly.

To which Comrade Rodionov replied with these somewhat intricate sentences: "One cannot say today that one cannot speak. It's just that we were already speaking about this before your glasnost, showing the engineers and hanging all sorts of accidents in the windows. And now you want to show all sorts of riff-raff as if they are working in rail transport. What sort of a reputation will that cause among the masses?"

It must be explained that the riff-raff Comrade Rodionov had in mind were his colleagues from the Likhovskoye Division of the railroad. Honestly speaking, they did not seem such slatterns to me. Although they were not wearing ties in the workplace, of course.

The fact that the MPS chief of traffic safety did not know his colleagues is quite eloquent. But it says that the managers rarely see their rank-and-file comrades. All the more reason to show them at least on television. I therefore do not accept the objections of Comrade Rodionov, like his colleagues, by the way, who began to

dispute the arguments of his subordinates. In this case I trust the subordinates more. And the author has every grounds here, even factual ones, by the way, not to trust some of the managers at MPS. For example, this same Comrade Rodionov. When he heard his own voice on the television screen, his reaction was most eloquent.

"I protest," he declared. "I did not say that for recording."

"So what?" the author asked him. "After all, you weren't answering personal questions, you were talking about railroad safety."

"It is one thing to be just talking like that—it's another for a correspondent or for all of television."

Whence there is one conclusion: it is evident that at MPS they have become accustomed to two truths, that when you hear your own words spoken aloud, you are shocked. It is evident that they are only concerned about answering superiors and newspaper editors. This show truth should be pretty and without rough edges. The second—the unvarnished, the true—takes up little space. But is it really incomprehensible that it is not so far to falsehood?

The lesson of truth and falsehood received at MPS after the viewing of the film was very impressive. One thing became understandable: it is impossible to be silent any longer, even criminal, because if in the presence of forty people Comrade G. Kozlov allows himself to distort the facts that are known by everyone sitting in the hall, and the hall is silent—this says much. This says there is a desire on the part of some managers to create a collective guarantee of silence. Here is another instance: the chief of the technical administration of MPS, I. Kharlanovich, said within earshot of all that the decision to build a siding had not been issued to USSR MPS after the derailment at Kamenskaya Station. But A. Semiryazhko, USSR State Prize Laureate, spoke of it, the author objected. The chief engineer of the Likhovskoye Division of the railroad, M. Khorunzhiy, and the division chief, V. Zakariadze, spoke of it.

And the hall was silent, although they knew that there was such a decision. A monstrous cultivation of a lie was underway. And these people—the majority of them administration chiefs—would be going to their subordinates tomorrow. What would they tell them?

In connection with this meeting, I involuntarily recalled a curious document issued by this same I. Kharlanovich and V. Shemanayev—the director of TsNIITEI [Central Scientific Research Institute of Information and Technical and Economic Research] of MPS. The document is also curious because it came out at the same time as the film and was being created, so to speak, in parallel fashion. We shot the film while Comrades Kharlanovich and Shemanayev were writing instructions for the chiefs of the railroads. And here is what they came up with: "In connection with the unfounded criticism (as the text

says) developing lately in the pages of the journals NOVYY MIR and OKTYABR... the USSR Ministry of Railways... the Main Technical Administration of MPS and TsNIITEI feel it is essential to give the proper rebuff to the immature and unqualified statements of Comrade M.F. Antonov in particular..."

I asked M. Antonov what caused this obstruction of him by the managers of MPS. Why he, a journalist and writer as well as a member of the editorial board of the journal MOSKVA, had become the target of this direct attack on the part of MPS and Kharlanovich.

"Two years ago, in the pages of the journals NOVYY MIR and OKTYABR, I predicted what is now happening at MPS: derailments, all sorts of quarrels etc."

Can it only be that journalists, writers and unqualified people in general, as they are called by MPS, have a plot to attack the Ministry of Railways out of some sort of spite? The editorial mail also brings letters from MPS employees. Rank-and-file workers write to us, engineers write to us, even traffic-safety inspectors write to us. Here, for example, is the chief inspector of one of the railroads reporting to the editors: "An authoritarian-administrative style of management is flourishing here (at MPS). No one listens to the opinions of subordinates. They force you to carry out even knowingly absurd commands by shouting, pressure, stress and threats." This is a professional who is writing. A man who has worked in rail transport his whole life. And he continues: "I have personally struggled alone with negative phenomena since March of 1986. But no one has openly supported me over that time. And it has cost me two heart attacks."

And I would like to quote the following words from the article of the chief inspector for traffic safety of one of the railroads of MPS especially for Minister H. Konarev, who has in the past, like his deputy V. Arkatov, inveighed for glasnost and whose words I have already quoted in a prior article: "For God's sake, just don't send my letter to the ministry, it will be even worse for me. I'm hanging by a thread already, but I have a powerful ally—the truth—with me!"

In conclusion, I would like to ask the managers of MPS whether we can answer the chief inspector of one of their railroad divisions that the management of MPS is also alongside him? If so, then we will publish his name. And if it is so, then here's a suggestion: let all of the allies of this truth meet on the screen of radio or television. And let them talk about affairs in MPS.

12821

**Collegium Examines Fall-Winter Preparations**  
*18290125a Moscow GUDOK in Russian 8 Jun 88 p 1*

[Article by V. Chistov, under "Winter Makes Harsh Demands" rubric: "We May Be Too Late: From a Session of the MPS Collegium"]

[Text] Even now only a single mention of the winter before last will cause many transport leaders to start

trembling. That winter was a severe trial for the railroaders, but at the same time it shed light on all the miscalculations which were made in the preparations for working in extreme conditions. In a word, it was not winter, but more like three months of unremitting elemental calamities from which the transport sector emerged with serious losses.

After such trials as these, last winter seems like a pleasant stroll. And compared to the winter before, last winter's results are cause for universal rejoicing. However, no one is going to risk stating that the railroaders have learned a bitter lesson and have passed a critical turning point. And this is mostly because many regions did not have their usual frosts or heavy snowfalls, though in some places the elements felt like kicking up and reminding us of their presence.

Thus the February snowfalls paralyzed traffic on the Mointy-Chu and the Chu—Alma-Ata sections for several days. And serious problems immediately arose with coal deliveries from the Karaganda Basin. This caused the line from Pogromnyy to Pugachesvk to practically cease operation for 20 days. And the ministry held serious discussions as to whether it was worthwhile to clear the snowdrifts from the lane or whether it would be more economical to detour freight around the ill-starred section. Serious interruptions were allowed on the Transcaucasus Railroad because of snowslides.

And as always, the snow-clearing equipment broke down at precisely the most critical moment. The onset of cold weather brought with it increasing incidences of wagon uncouplings caused by malfunctions in the towing assemblies and the automatic brakes, and there were breakdowns in the railcar repair machines at the maintenance points and rolling stock loading preparation points. As a result of all this disorder, in only two months (December 1987 and January 1988) 100 decisive shunting operations caused 122,000 freight trains to run off schedule or to have their routes changed.

Many passengers complained that the passenger cars were cold. Once again, the passenger-car park turned out not to have been prepared for cold-weather operation. Nor were the railroad personnel prepared. The conductors' poor knowledge of the heating system layout and the fact that the passenger trains were supplied with low-grade coal caused a great many cars to be "defrosted" on the railroads. And there weren't enough of them, even though the 1987 plan for putting this matter right was not fulfilled: there were 660 passenger trains standing in line for repairs. By the way, the complaints in many instances, all the way up to the CPSU Central Committee, came not only from passengers, but from railroad workers themselves. The reasons? They were the same complaints heard last year and the year before and even ten years ago: the railcar inspectors and track workers have nowhere to change their clothes, warm themselves, dry their clothes or have a cup of hot tea or bouillon. And often they cannot warm up when

they get home either, since their quarters haven't been repaired in time for winter, the apartment radiators are only slightly warm, there have been delays in the renovation of the boiler or the heating system is about to fall apart. Not everyone everywhere has been supplied with heating fuel, and if coal has been delivered in time, it is of such poor quality that the railroad workers refuse to take it.

Many more such cases could be cited. Alas, they only cause us to reflect sorrowfully that if we have another severe winter, what kind of results will we carry with us into this summer? Won't we have to pay the debt we accumulated in freight traffic this winter at the price of incredible efforts to make up for what has been lost?

We will risk saying that it will all be repeated on most of the railroads. And we assert this so confidently because many of the organizational and technical problems which will make it difficult for us to come to a turning point, have remained at the freezing point. Just one example: with all the talk there has been at every possible meeting and all that has been written in GUDOK about electrically heated switches, the planned program was completely junked on the Tselina and October railroads, and only 600 of the entire system's switches—a drop in the ocean—were heated.

It is entirely proper that the MPS [Ministry of Railways] Collegium had already discussed "Preparation of Railroad Transport for Autumn-Winter 1988/1989 Operation" as long ago as May. There are a great many matters to be dealt with, and if we fail to take care of them today, tomorrow may be too late. This has also been thoroughly and concretely discussed, and no one has attempted to bury the essence of the matter under flowery verbiage, empty conclusions and promises. The slated program is particularly impressive, and this time one gets the feeling that it is being backed up by resources and materials and is thus real.

Thus there are plans to form spare wrecking trains for snow-clearing work. In summer they can be equipped and readied for prompt shuttling from railroad to railroad, depending on what circumstances arise.

The snowplows and four-axle flatcars equipped with special snowblowers have given good account of themselves. Last year 73 machines were equipped with these snowblowers and plans call for at least 400 to be thus equipped this year. The Moscow Railroad has been put into direct contact with the capital city's ventilator plant in order to see that this program is implemented. Every one of this mainline railroad's wagon depots has been put into action reequipping flatcars.

The introduction of heated switches should improve matters as well. Some 1,200 switches are to be equipped with heaters this year. And this is only the beginning. In the period ahead these conversions will multiply exponentially, so that in ten years this problem will be a thing

of the past. Our only reservation is that success will be guaranteed on condition that Gossnab supplies the railroads with all the equipment they need.

The experience of the Moscow Railroad is worth mentioning. They introduced a no-callup system for summoning junction workers in case of snowstorms and heavy snowfall. Specific gridirons and switches have been assigned to each of them. This ensures uninterrupted freight and passenger train traffic even during the heavy February snows.

Someone might ask whether it would be worthwhile to return to the old administrative approaches, even if the signalers, the railcar workers or the engineering and technical personnel work better at their own jobs. It's a logical question. But the Moscow Railroad came up with a creative approach to this question by appealing to the material motivation of their people. And they did it all with no detriment to their basic work. They understood that in the final result, under cost-accounting [khozraschet] and self-financing, each person's well-being depends on the final result of the work done by the railroad. And the success of the railroad's winter traffic depends in large part on skillfully battling the snowdrifts on the tracks. So it has been recommended that the no-callup system be used extensively on the other railroads.

A detailed stepped-up program has been developed in each division of the sector. We could finish the article with that statement, but there is one thing that is still disturbing: excellent measures have been devised prior to now. The trouble is that no one checked to see that they were implemented. When train traffic slowed down and extreme measures were required to save the situation, the guilty parties were not sought out. So they were able in fact to escape responsibility—all of them blamed it on the elements.

We would like to believe this will not be repeated and all the railroads are now setting about implementing the program approved by the MPS Collegium. The fact is, time is on the wing, and tomorrow may be too late. And so it is that the commission which has been put in charge must also avoid postponing important matters until tomorrow.

12659

**Introduction of 2TE121 Locomotives Delayed**  
*18290124a Moscow GUDOK in Russian 2 Jun 88 p 2*

[Article by A. Tretyakov: "Marking Time: Railroaders Can't Wait for New Powerful 2TE121 Diesel Locomotive, but Getting It On Track Unduly Delayed"]

[Text] At the end of last year, there was a fire on a diesel locomotive during a run. True, it was quickly extinguished and only minor repairs were necessary. The matter did not seem worthy of special attention, except for one



thing....This was series 2TE121 diesel locomotive No 28. The duplicate interdepartmental tests on the Sosnogorsk-Pechora-Vorkuta section were not to be the locomotive's final tests. The most important thing is that they were MPS decisions. Is the Ministry of Railways putting a new machine into regular operation? Is this locomotive being put into series production?

Our country's machine-building plants have been working for roughly two decades to develop the powerful Series 2TE121 main-line diesel locomotive. The primary producer is the Voroshilovgradteplovoy Production Association. I recall the conversation I had two years ago with N. Naysh, the association's chief designer. At the time, he was talking about the advantages of the new locomotive over those then available. The 2TE121 was much more powerful, and used less fuel. The new design uses a number of new developments, including some 70 inventions whose authors have become innovators of manufacturing plants affiliated with the Voroshilovgrad Association, the Kolomenskiy Plant and Elektrotiyazhmash, which is located in Kharkov.

True, the chief designer took no pains to hide the flaws which had shown up during the tests conducted in harsh Arctic conditions. The undercarriage and the electrical and auxiliary equipment were tested. Normal operation was hindered by various unfinished design elements such as the inconvenient placement of the storage batteries. Moreover, the diesel locomotive uses lead-acid batteries, where the operators want the more reliable alkaline batteries installed. And an old low-power compressor was "tacked on" to the new diesel unit.

So do we really need this locomotive?

"Certainly," is the unanimous response of the specialists of the base overhaul shop in Pechora, where new types of diesel locomotives are tested. And all the engineers who drive the new locomotive concur with this view. The thing is, there are still too many flaws. About 300 have been found so far. The machine builders are still trying to get the locomotive into condition.

Two years ago, I had occasion to witness the following conversation. At the time, former foreman Valeriy Nikolayevich Roman had brought two shapeless pieces of metal into the party committee secretary's office. They were all that remained of one of the traction reduction gear's driveshaft bearings.

"Something has to be done about this," said Valeriy Nikolayevich indignantly. To this man, who had put a lot of his life into testing and developing new locomotives, the inordinate placidity of his association colleagues was incomprehensible. He himself had spent 18 years working at the Voroshilovgrad Locomotive-Building Plant. He had been among the creators of the first 2TE121 series locomotive. Then he was transferred to Pechora. And now, embittered and exasperated, he has tried to struggle with the new approach to this

equipment, which has already been found to be already thoroughly obsolete during tests, but which (for want of anything else) is considered promising.

It was then that V. Roman promoted the so-called northern version of the diesel locomotive. The refrigerating chamber (why was such a thing needed in the North?) had to be made smaller, and a pneumatic starter for the diesel generator had to be used, which would allow them to get rid of the acid-cell batteries, the generator motor etc. All these innovations greatly reduced the diesel locomotive's weight, and improved the arrangement of its assemblies.

But this, in principle, would have forced the developers to devise a new model along with the base locomotive model. Such a thing had never occurred in the locomotive-building industry. But neither the association's developmental designers nor the machine builders were prepared to do this. In fact, even the required conversions were done in the plant with a great deal of effort. That's when, as I recall, they went back to the plant and didn't return either the diesel locomotive on which the bearings "flew apart" or several other locomotives. The upgrading timetables were wrecked.

That is why later, at our next meeting, V. Roman explained that he couldn't recall more about the northern model. The association cannot duplicate the conditions needed to build or upgrade the 121 models. Like they say, one gets by in spite of it.

And, as a matter of fact, the diesel locomotives which were to have been put into series production in 1987, about a hundred of them—which were supposed to pull heavy-weight consists in the Komi ASSR before the end of the five-year plan period—failed the regular examination shamefully. There were as many as 15 of them in the Pechora overhaul shop then. More than half of them were waiting for unscheduled repairs, and some were sent back to the factory. And soon the overhaul shop workers, who had been trained by bitter experience, no longer expected to see them return from there. And the list of flaws, instead of growing shorter, was graced with new additions.

In March 1987 the regular commission met in Pechora. The meeting was headed by the deputy minister of railways and concerned parties from the Ministry of Heavy and Transport Machine Building, from the producer-plants and by industrial scientists. (As a matter of fact, in all these years, the flaws hadn't been given any notice whatsoever by commissions, in meetings, in joint protocols, resolutions or contracts, just as there had been a plethora of promises, sworn statements, high-level mutual obligations and "most precise" deadlines).

This time, the locomotive builders, availing themselves of the privileges due the country's only producer of these powerful machines, demanded the fastest possible acceptance of their diesel locomotive. They promised to set

everything to rights, to adjust, to remodel. But MPS representatives held their ground and insisted on duplicate tests. It was then decided to upgrade all the existing machines and, considering the comments of the railroad workers, to send the diesel locomotives with side numbers 28 and 30, which had already been upgraded, to the Pechora overhaul shop, for duplicate tests.

A year went by after that meeting. In the opinion of the workers of the Service Group, who represented the machine-builders, things got moving. Specifically, things related to servicing the locomotive in place, in Pechora. But they did not take the locomotives' breakdowns into account. Here are the data concerning unscheduled repairs on the 2TE121 locomotive. December 1987—53 run-ins for repair; down-time—41.5 percent of the locomotives' total use time. January (this year)—45 run-ins and 37.2 percent. Of this series of locomotives, 9 are undergoing unscheduled repairs. Five have been sent to the plant and two others are undergoing routine repairs. The results: of 23 locomotives, only 7 are operable. And it is almost always like this. Is this overhaul shop profitable for the ministry or, finally, for the country? The most vexing aspect is that locomotives No 28 and No 30 were slated for duplicate (essentially final) tests. As we mentioned at the very beginning of the article, there was a fire on one of them, and it has already been brought to the overhaul shop with defects—a lubrication leak from the Section "A" gear coupling, and increased viscosity of the oil in Section "B". Locomotive No 30 has also been plagued with breakdowns.

So the duplicate tests, which could not be begun, were completed immediately. What's going on now? A new twist in the agreements? Word games? The vaguely defined "something" also relates to what has been done in the Pechora overhaul shop. There, they have become familiar with new-to-them types of repair on the first, second and third volume 121-series locomotives. The overhaul shop workers themselves have fabricated a great number of toolings and have even attached a

lean-to to one of the shops, and there still isn't enough space in the overhaul shop to lay out, repair and service the new locomotives. Thus far, it has not been possible to set up a unified operating cycle or flow-line production. Here, it would help greatly to have a new overhaul shop section, the construction of which was to have been completed this year as stipulated by simultaneous order of two allied ministries. The same order also calls for an apartment house and a kindergarten to be built in Pechora as soon as possible. But so far it is all still on paper.

You may automatically ask whether this order, which no one took seriously, was necessary. We must not say that only someone "on top" is guilty. Many of the locomotive's breakdowns were caused by insufficiently trained locomotive brigades. The low skill-levels of the fitters have been the cause of poor-quality repairs. The Service Group is short of specialists. None of the timetables for creating the conditions necessary for receiving, repairing and servicing the new locomotives in the Vorkuta Overhaul Shop have been met. They had counted on the construction of a shed like the one in Orsk, which was designed for the Series 121 locomotives. But someone in the Northern Railroad administration got the idea of having Vorkuta's locomotive brigades build this facility, which has a \$1.5 million price tag, via the so-called industrial method, i.e., with in-house resources. Naturally, they did not have enough manpower to do the job. And now the unfinished shed stands there, forgotten and abandoned. The employees of the Inta and Sosnogorsk overhaul shops encountered similar problems.

Is it more a reluctance to master new equipment, or is there simply no need for this equipment? That cannot be, since we know that the employees of the Northern Railroad are on pins and needles waiting for the new powerful locomotive. But this marking time does credit neither to the transport department nor to the machine builders.

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